2024
Annual Report and Sustainability Statement

BW OFFSHORE

Contents

Sections constituting the Report of the Board of Directors

About Us

We are proud to have executed 40 FPSO and FSO projects, and our goal is to build on the four decades of accumulated offshore operations and project execution experience to create tailored offshore energy solutions for evolving global markets.

KEY FINANCIAL FIGURES

Operating revenues	USD million	606.7
EBITDA	USD million	318
EBIT	USD million	141.2
Operating cash flow	USD million	362.9
Net profit	USD million	119.8
Total assets	USD million	4045.4
Total equity	USD million	1246.6
Equity ratio		30.80%
Market cap	USD million	476.5
Enterprise value	USD million	2 537.3
Average BOE per day		61000

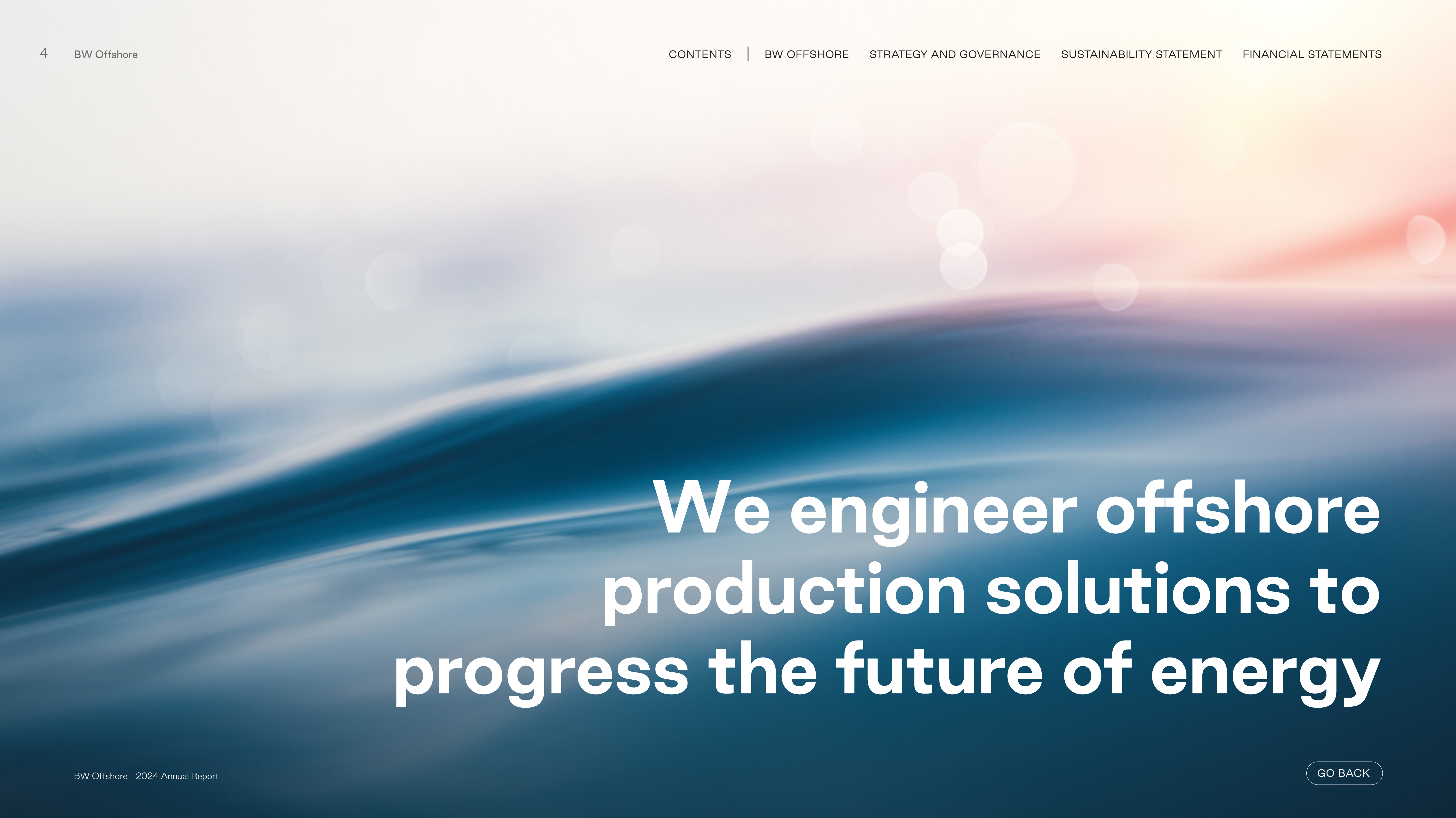
EMPLOYEES
1 128

ASSETS IN OPERATION
3
+ 1 in construction

BACKLOG
6.2
USD billion

LTI
0.49
Per million hours

COMMERCIAL UPTIME
99.3%



We engineer offshore production solutions to progress the future of energy

CEO'S LETTER

Laying the foundation for growth

With 2024 behind us, I want to highlight the strides we made in a dynamic energy landscape. Despite significant macroeconomic and geopolitical challenges, we have remained steadfast in our mission to advance offshore production solutions that meet the energy demands of the future.

Central to this mission is our commitment to addressing the energy trilemma—security, affordability, and sustainability—by optimising current operations and laying the groundwork for future opportunities.

Last year, we delivered results from operations that exceeded our expectations, and we continued to share the value creation through quarterly cash dividends to our shareholders. We successfully delivered on our strategic priority of "maximising value from our existing asset base," significantly strengthening our balance sheet and positioning BW Offshore to pursue new investments and growth.

These accomplishments reflect the strong dedication of our onshore and offshore teams and have created a solid base for sustained growth as we step into 2025. My heartfelt gratitude goes out to every team member for their adaptability and commitment to our shared vision.

PROJECT EXECUTION AND LESSONS LEARNED

We made steady progress on the Barossa project, with the delivery of BW Opal on track to first gas by mid-2025 for our client Santos.

This reflects our leading competency, which lays a strong foundation for future large-scale FPSO projects. In a highly active market supported by high energy prices and a focus on energy security, we continue to selectively engage in new FPSO projects which meet our return criteria.

However, 2024 was not without its challenges. Inflationary pressures, tight global supply chains, and shifting timelines for prospective projects tested our resilience, yet also offered valuable lessons. These insights prompted refinements in cost controls, project execution methods and contract terms, ensuring we continue to deliver consistent value to our customers.

DRIVING SUSTAINABLE GROWTH

We maintain our ambition of securing one new FPSO project every two years. At the same time, we are broadening our focus to include renewable energy solutions beyond floating offshore wind including solutions for low carbon energy production using carbon capture & storage technology.

The transition to cleaner energy continues to be a core focus of our long-term strategy. Sustainability principles are embedded in our operations, and we are aligning with global reporting frameworks led by the EU Corporate Sustainability Reporting Directive (CSRD) to ensure our diversification strategy supports operational resilience and sustainability. The close integration of ESG principles strengthens our reputation, enhances resilience and allows us to contribute meaningfully to the global shift towards a future with cleaner energy.

SAFEGUARDING PEOPLE AND ASSETS

The safety of our workforce, partners and communities continues to be BW Offshore's top priority. We uphold the highest international safety standards, operate in some of the most stringent regulatory jurisdictions, and are committed to achieving zero harm across all activities.

In response to the growing threat of cyber-attacks, we have further fortified our cyber security efforts in 2024, both including preventive measures, as well as our readiness to respond. These efforts are essential for safeguarding operations and maintaining the trust of our stakeholders.

> "In a highly active market supported by high energy prices and a focus on energy security, we continue to selectively engage in new FPSO projects which meet our return criteria.
>
> Marco Beenen
> CEO

LOOKING AHEAD

Our priorities for the coming year are clear and actionable: safely deliver first gas from BW Opal on schedule, and securing our next FPSO project to drive continued growth. These goals are underpinned by disciplined capital allocation, ensuring we maximise shareholder value at every step.

By focusing on operational excellence, strategic growth and effective risk management, we remain well-positioned to seize opportunities in a rapidly evolving energy landscape.

Thank you for your continued trust and support. Together, we will advance the energy transition, shaping a future that is secure, affordable and sustainable for all.

Marco Beenen
Chief Executive Officer

STRATEGY, BUSINESS MODEL AND VALUE CHAIN

A diversified offshore energy service company

SBM-1 Strategy, business model and value chain

OUR BUSINESS MODEL

BW Offshore creates value for our customers by providing two primary types of services related to floating, production, storage and offloading (FPSO) assets: (1) engineering, procurement, construction and installation (EPCI) and (2) lease and operate.

We are a trusted partner for clients seeking to outsource technical competence to engineer, build and operate complex floating offshore production assets. With our existing operational network, we offer synergies that are difficult for a client to replicate on a stand-alone basis.

In a lease and operate arrangement, we take full responsibility for engineering, operating, maintaining, upgrading and/or modifying a production asset as requested by the client in a lease arrangement. BW Offshore provides clients with advantages through well-established infrastructure, manning pools, and supply chain networks. In addition, BW Offshore has extensive experience in regulatory requirements, technical maintenance, and lifecycle cost management.

BW Offshore's customer base includes global oil and gas (O&G) majors and national oil companies seeking reliable offshore production capacity. Current FPSO operations span the UK, U.S. Gulf of Mexico, and Gabon. Our newbuild FPSO, BW Opal, will commence operations in Australia this year. Meanwhile, potential new projects are being targeted in the main O&G producing regions of the Americas, North Sea, West Africa and Asia-Pacific.

Parallel to the FPSO segment, we are exploring opportunities related to our core offshore engineering capabilities, with the goal of transitioning to a low-carbon and renewable

GO BACK

energy services company. In 2024, no new products or services were added; Looking towards 2030, BW Offshore is pursuing defined potential energy-transition segments and will make capital investments and develop those that become commercially attractive as technologies, markets, regulations, and government incentives evolve.

DELIVERING ON STRATEGY

BW Offshore has defined a set of clear strategic priorities for long-term value creation.

1 Growing the core floating production business through new offshore energy infrastructure projects

2 Building a substantial and growing position in offshore renewable energy infrastructure

3 Extracting maximum value from the conventional FPSO fleet

OUR STRATEGY

Preparing for a sustainable future is a priority for BW Offshore. In 2020, we revised our corporate strategy to address the increased risk of reduced access to or higher cost of capital for O&G companies. Our 2020 strategy also addressed opportunities to expand into low emissions business.

Our strategy is built on three pillars: extracting maximum value from the conventional business and existing fleet, expanding the core floating production business through investments in new offshore energy infrastructure, and strengthening our position in offshore renewable energy.
As climate change drives shifts in the energy landscape, we see emerging opportunities to diversify our asset portfolio, including energy transition fuels such as floating liquid natural gas plants and renewable technologies.

In 2023, we established a new Strategic Development function led by our Chief Strategy Officer (CSO), which is responsible for driving progress across all three strategic pillars, including our New Ventures & Technology and Offshore Floating Wind segments. Positioning the Sustainability department within Strategic Development reflects our belief that strategy and sustainability are intrinsically linked. Strategic Development drives strategic initiatives that will enable us to deliver our targets from now to 2030.

At present, we do not have a firm transition plan in place to achieve net-zero or carbon neutrality. Our current emissions, in large part, are dictated by our stakeholders and their ambitions to reduce emissions. Collaboration and joint initiatives among industry stakeholders will be drive change in the O&G industry.

By providing current and potential clients with innovative technical solutions, we can increase asset energy efficiency, reduce emissions, and operate in a manner that is better for the environment. We are implementing and proposing technologies to lower emissions on newbuild FPSOs by applying combined-cycle gas turbines, carbon-capture technology, as well as other energy efficiency solutions and continuously work with our clients to tailor solutions that fit their needs and support them in reaching their emission reduction goals.

MAXIMISING VALUE FROM OUR CONVENTIONAL FLEET

We completed the planned fleet divestment programme in the first half of 2024 with FPSO Petróleo Nautipa sent for recycling and FPSO Polvo sold to BW Energy. We

GO BACK

similarly generated capital through the gradual divestment of our shares in BW Energy, starting in 2021 and concluding in January 2024. Collectively, these divestments have freed up USD 133 million investment capacity enabling us to pursue new business within both O&G, as well as new segments. Further, the divestments have improved cash flow visibility and reduced liabilities.

GROWING OUR CORE FLOATING PRODUCTION BUSINESS THROUGH NEW OFFSHORE ENERGY INFRASTRUCTURE PROJECTS

Capital providers, such as banks and investors, are prioritising large-scale developments with low break-even oil prices, which creates a challenging environment to secure capital for traditional lease & operate FPSO projects. In 2020, BW Offshore adjusted our investment criteria for new FPSO projects to reflect stakeholder expectations on safety, emissions, and counterparty risk.

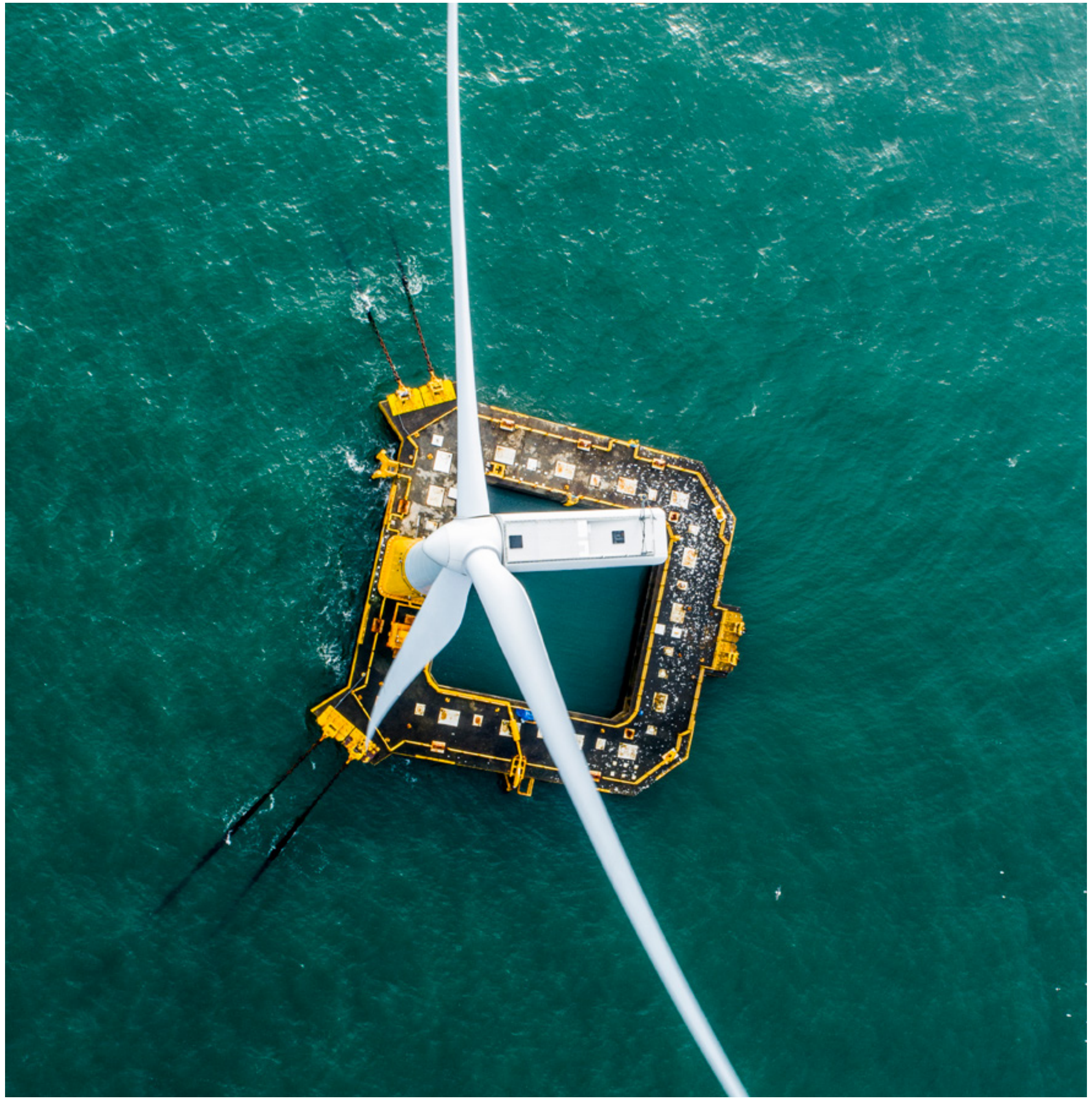
BW Opal, an FPSO currently under construction, meets our criteria, which favour long-term lease contracts with investment-grade or national O&G companies, no residual value risk beyond the firm contract period, and significant lease pre-payments during construction. BW Opal is 93% complete and ready for first gas in Q2 2025.

The FPSO market shows promise, with pent up demand and few active players. BW Offshore is selectively pursuing projects, targeting final investment decision on one or two within twenty-four months. These projects may involve long-term leases or BW Offshore taking on design, construction, and installation responsibilities for a client-financed and owned unit. Rising project and financing costs have increased demand for flexible contractual solutions, and BW Offshore is well-positioned to deliver solutions to our clients.

BUILDING OUR POSITION IN OFFSHORE RENEWABLE ENERGY

Our New Ventures & Technology and Floating Wind teams are advancing technical solutions and business opportunities that leverage BW Offshore's expertise in floating energy production. In 2024, these teams included 14 employees with a budget of USD 5.4 million.

Since 2021, BW Offshore has invested USD 80 million in BW Ideol, a floating offshore wind technology and project co-development business. BW Ideol benefits from BW Offshore's extensive experience in offshore construction projects, supporting the development of market-leading renewable technology capabilities.



BW Ideol has finalised the concept design for the 1 GW Buchan Offshore Wind development project. Consent applications are planned for 1H 2025, and approval is expected in 2026.

In April 2024, BW Ideol launched a standardised floating foundation design that is based on the patented damping pool concept. Furthermore, BW Ideol became the technology provider designing the floating foundations for the EDF Renewables and Maple Power consortium, which won the AO6 tender to design, construct, operate, and decommission a future 250MW floating offshore wind farm in France in December 2024.

These activities and projects will accelerate development for fabrication lines to produce BW Ideol floaters in nearby locations, such as Scotland's Ardersier port and the Fos-Sur-Mer port in Marseille, to serve the emerging UK and France floating wind markets.

Additionally, we are actively pursuing medium- to long-term opportunities in low-emission energy production in other segments, including carbon transport and storage, gas-to-power, floating production of clean fuels, and desalination. The aim is to mature and develop one or two of these into viable business segments that meet our return requirements.

STRATEGIC ELEMENTS LINKED TO SUSTAINABILITY

Employee Headcount by Region

To support our operations, BW Offshore maintains a global workforce of 1128 strategically allocated resources across our primary operational regions:

- **Asia-Pacific:** 479
- **Europe:** 336
- **West Africa**: 149
- **Americas:** 133

This regional workforce distribution enables efficient, localised support across BW Offshore's key markets.

Revenue by Sector and Activity

BW Offshore's revenue is shown by significant ESRS sectors of core operations and sustaina-bility-focused sectors. This breakdown highlights the split between BW Offshore's primary revenue source and low-carbon energy solutions, which are part of our strategic growth plan.

This sector-specificrevenue table is consolidated to comply with IFRS 8 Operating Segments, where applicable, and reflects BW Offshore's integration of traditional energy services with our strategic entry into renewable sectors, which advances our sustainability goals.

Sustainability-Related Goals

BW Offshore is committed to sustainability across our offerings, customer engagement, and geographic reach and focuses on:

- **Emissions Reductions:** Continuous improvement of operational efficiencies and reduction of Scope 3 emissions through collaboration with clients.
- **Renewable Energy Integration:** Scaling BW Ideol's floating wind technology to capitalise on clean energy markets.
- **Responsible Business Conduct:** Promoting responsible business conduct through stakeholder engagement across geographies, particularly in high-impact regions.

We regularly evaluate operational efficiencies, environmental impacts, and the potential for emission reduction in both existing and prospective markets.

Main challenges include navigating regulatory requirements, capital allocation to high-return, low-emission projects, and balancing investment in FPSOs with growth in floating wind. We describe relevant projects throughout this report.

Sector	Revenue (MUSD)	Description of Activity
Offshore Oil & Gas (FPSO)	603.6	Construction, lease and operation of FPSOs.
Renewable Energy (Floating Wind)	3.1	Development of floating offshore wind through BW Ideol
Total revenues	606.7	

LONG-TERM VALUE CREATION THROUGH HIGH OPERATIONAL PERFORMANCE AND SUSTAINABLE GROWTH

Directors' Report 2024

BW Offshore engineers, develops, and operates innovative offshore production solutions, which contribute to affordable and secure access to energy while aligning with the transition towards a low-carbon future. The Company seeks to create long-term value, guided by a strategy founded on strong operational performance and sustainable growth.

BW Offshore continued to improve its financial position throughout 2024, driven by strong commercial performance from its FPSO fleet and prudent capital management. In line with its strategy of delivering value to stakeholders through energy production, the Company divested its shares in BW Energy in 2024, significantly strengthening its liquidity position.

Early design and engineering work on the Sakarya redeployment project in Turkey further contributed USD 30 million to EBITDA and cash generation.

The strong liquidity position and year-end contracted revenue backlog of USD 6.2 billion provide good visibility on value creation for years to come and position BW Offshore to capitalise on growth opportunities and enhance shareholder value through attractive dividends.

Significant progress was made on the BW Opal FPSO for the Barossa project in Australia. The unit is near completion and ready for sail-away to the field. There, final preparations will be undertaken before the 15-year fixed-term lease commences. It has been a transformational project for BW Offshore, involving the design and construction of one of the world's largest and most complex gas FPSOs, demonstrating the Company's unique value proposition to the offshore energy industry.

FPSO OPERATIONS

As of 31 December 2024, BW Offshore has three assets in operation and one under construction. The weighted average commercial uptime for the operating fleet in 2024 was 99.3 per cent (98.4 per cent in 2023).

In May 2024, BW Offshore received the final payment of USD 20 million for the sale of FPSO Polvo to BW Energy, completing the transaction initiated in 2023.

LOW CARBON ENERGY SOLUTIONS

BW Offshore is committed to contributing to the energy transition by developing low-carbon offshore energy production solutions by leveraging FPSO expertise to deliver low-carbon energy and expand into new sectors, focusing on low-emission oil and gas, CO_2 transport, gas-to-power, and floating ammonia to meet evolving energy demands. The Company maintains a disciplined approach with selective and diligent allocation of capital and a commitment to creating shareholder value.

BW Offshore is also active in the energy transition through its 64 per cent ownership in BW Ideol. BW Ideol is a leader in offshore floating wind technology and co-development, with over 14 years of experience in the development of floating wind projects.

SUSTAINABILITY

BW Offshore is committed to sustainability and integrates corporate responsibility in all processes and daily operations. The Company's Sustainability Statement is prepared based on EU's Corporate Sustainability Reporting Directive (CSRD) and its applicable European Sustainability Reporting Standards (ESRS). For more information about the Company's impacts, risks and opportunities, please see the Sustainability Statement.

Health, Safety, Security, Environment and Quality

Health, safety, security, environment and quality ('HSSEQ') have the highest priority throughout the BW Offshore organisation. The Company has established policies and procedures for safety, security, occupational health and environmental management. Safety is prioritised in all operations with 'Zero Harm' as an overriding objective for personnel and the environment. The Company shows due respect for the individual, human rights and employment practices.

The overall incident rates are predominantly downwards trending, reflecting BW Offshore's commitment to operational integrity and safety. The High Potential Incident (HPI) Frequency Rate, Lost Time Injury (LTI) Frequency Rate, and Total Recordable Injury (TRI) Frequency Rate for BW Offshore in 2024 were 0.29, 0.49, and 0.88, respectively, measuring the 12-month average per million exposure hours. The comparable rates for 2023 were 0.50, 0.11 and 0.89.

FINANCIAL PERFORMANCE

Income Statement

BW Offshore Group ('Group') revenue was USD 606.7 million in 2024 compared to USD 659.2 million in 2023. Total operating expenses were USD 288.7 million compared to USD 353.7 million in 2023.

Earnings before depreciation, amortisation, impairment and sale of assets (EBITDA) for 2024 was USD 318.0 million compared to USD 305.5 million in 2023. The increase in EBITDA was mainly driven by contributions related to the engineering and design work for the Sakarya project, partly offset by the Company's decision to dispose of non-core assets.

Operating profit was USD 141.2 million, compared to an operating profit of USD 137.9 million in 2023.

Net financial items were negative by USD 0.7 million compared to negative USD 42.8 million in 2023. The variance mainly reflects a reduction in net interest-bearing debt due to increased liquidity linked to the sale of shares in BW Energy, a positive impact from interest rate swaps and valuation gain on the Barossa financial liability due to changes in timing of future expected cash flows.

Share of loss of equity-accounted investments was USD 13.3 million compared to a profit of USD 18.2 million in 2023. 2024 includes the Group's share of the valuation loss on the Barossa financial receivable related to changes in timing of future expected cash flows. 2023 included BW Offshore's share of the net result from its ownership in BW Energy. In January 2024, all shares in BW Energy were sold.

Tax expense amounted to USD 7.4 million compared to USD 15.7 million in 2023. The decrease was mainly driven by divestment of non-core assets.

Net profit for 2024 was USD 119.8 million compared to a net profit of USD 97.6 million for 2023.

Financial Position

As of 31 December 2024, the net equity was USD 1 246.6 million compared to USD 1 195.3 million as of 31 December 2023. The equity ratio at the end of 2024 was 30.8 per cent, compared to 30.2 per cent at the end of 2023.

At year end, the Group had gross interest-bearing debt of USD 231.4 million compared to USD 533.2 million in 2023. The interest-bearing debt comprises mainly the BW Catcher facility, the corporate loan facility and a high yield bond. The convertible bond was repaid in November 2024. The finance liability relating to the BW Opal FPSO was USD 1 347.4 million as of 31 December 2024, compared to USD 1 022.1 million as of 31 December 2023.

As a result of strong cash generation from the fleet, combined with freeing up liquidity from the sale of BW Energy shares in 2024, the Group was net cash positive USD 74.4 million (net interest-bearing debt of USD 533.2 million) by 31 December 2024.

Cash Flow

Net cash inflow from operating activities was USD 362.9 million compared to net cash inflow of USD 558.7 million in 2023. A significant portion of the cash inflow is coming from pre-payment of charter rate for BW Opal.

Net cash outflow to investment activities amounted to USD 172.0 million, compared to USD 646.9 million in 2023. Majority of investment is related to the construction of BW Opal, partly offset by proceeds from sale of the investment in BW Energy.

Net cash outflow from financing activities amounted to USD 246.1 million compared to a cash inflow of USD 218.9 million in 2023. The variance primarily relates to effects from changes in net interest-bearing debt.

Dividends

During 2024, BW Offshore paid USD 49.8 million in cash-dividends to shareholders.

PARENT COMPANY ACCOUNTS

BW Offshore Limited is a holding company. The Company reported a profit of USD 102.6 million for 2024, compared to a profit of USD 50.8 million in 2023. The variance is primarily related to higher dividend income in 2024 and gain from sale of investment.

Total assets were USD 410.1 million as of 31 December 2024 compared to USD 909.1 million in 2023.

Total shareholders' equity in BW Offshore Limited as of 31 December 2024, was USD 270.1 million, corresponding to an equity ratio of 65.9 per cent.

GOING CONCERN

Based on the Group's overall position at the end of the year, as well as the current outlook, the Board believes BW Offshore has a good foundation for continued operations. The accounts have been prepared on a going concern basis.

ORGANISATION

BW Offshore is represented in the major energy regions worldwide, across Asia Pacific, the Americas, Europe and West Africa supported by local onshore teams and is an organisation with a global presence.

At year-end 2024, the workforce totalled 1 125 employees including contract staff, a slight reduction from 1 189 in 2023. This was primarily due to the divestment of non-core FPSOs, partly offset by the build-up of an organisation in Australia to support the BW Opal start-up in 2025. Across the organisation the gender balance was 17 per cent female and 83 per cent male.

In 2024, onshore absence due to sickness was 2.3 per cent of the total hours worked by employees. This compares to 2.1 per cent in 2023.

BW Offshore has a strong culture and working environment, which it continuously seeks to reinforce and improve. The Company strives to offer a positive and inclusive workplace that enables challenging careers with equal development opportunities for all. Remuneration, promotion, and recruitment processes are designed to be fair, equitable and free from discrimination. For more information, please see the Diversity, Inclusion & Equality Report available on the Company's website.

CORPORATE GOVERNANCE

The Board of Directors of the Company has adopted a Corporate Governance Policy to reflect BW Offshore's commitment to good corporate governance. BW Offshore's Corporate Governance Policy complies with the

Norwegian Guidelines, with certain deviations, as outlined and explained in the Corporate Governance Report in this Annual Report.

RISK

BW Offshore's risk exposure is analysed and evaluated to ensure sound internal control and appropriate risk management based on internal values, policies and the Code of Ethics and Business Conduct. The Group's activities expose the Company to a variety of financial risks: currency risk, interest rate risk, credit risk, liquidity risk and capital risk. The Group also considers potential future climate change related risks and opportunities, including as part of a Double Materiality Assessment. More information is provided in the Company's Sustainability Statement.

The most important operational risk factors are related to project execution and the operation of FPSOs, which could lead to accidents and oil spills to the environment if not managed properly. Additionally, Cyber Security risk is closely monitored by the Company to ensure safeguards and response plans are in place to mitigate any attack on its assets.

The Group has a comprehensive insurance programme where it has coverage for what is customary in the industry, including loss of hire insurance on FPSOs, at adequate limits. For projects, the Group places comprehensive all-risks insurances, which cover the projects' capital expenditure. BW Offshore has purchased and maintains a Directors and Officers Liability Insurance issued by a reputable insurer with appropriate rating.

The overall financial risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Inflationary pressures, driven by ongoing supply chain and logistics challenges, continue to pose risks to project execution, affecting cost management and the profitability of projects. BW Offshore remains focused on mitigating these impacts by addressing the persistent global supply chain disruptions and incorporating lessons learned when evaluating new project opportunities.

Longer-term, a shift of investor attention towards energy transition activities is likely to continue with increased capital allocation towards electrification and clean fuels. This may over time lead to increased uncertainty related to access to financing and the capital cost for new hydrocarbon-based projects, as well as increased costs to comply with changing regulatory requirements.

BW Offshore's operational activities are subject to tax in various jurisdictions. As contracts with clients are long-term by nature, the Group's results are exposed to risk of changes to tax legislation although this is largely mitigated through change in law provisions with clients.

OUTLOOK

Growing energy demand continues to drive interest in developing new infrastructure-type FPSO projects with long production profiles, low break-even costs and focus on lower emissions. Increased project complexity, combined with higher construction costs, necessitates financial structures with significant day rate prepayments during the construction period for new lease and operate projects.

Alternatively, oil and gas majors may finance and own FPSOs, relying on FPSO specialists for the design, construction and installation scope, combined with operation and maintenance services. BW Offshore is well positioned to offer both solutions.

In recent years, the number of sanctioned FPSO projects have lagged market expectations. Consequently, there is a growing number of projects at various stages of maturity, reflecting a pent-up demand for FPSOs. Increased FEED and tendering activity is a function of this, and BW Offshore expects that a number of the FPSO projects the Company is engaging with will reach a final investment decision over the next 12 to 36 months. The market dynamics combined with the high competence levels required for project execution, should enable better risk-reward and improved margins for FPSO companies going forward.

BW Offshore continues to selectively evaluate new projects that meet required return targets, offer contracts with no residual value risk after firm period, and provide a financeable structure with strong national or investment-grade counterparties.

Board of Directors

ANDREAS SOHMEN-PAO
Chair

Andreas Sohmen-Pao is Chair of BW Group and listed affiliates BW Offshore, BW LPG, Hafnia, BW Epic Kosan, BW Energy and Cadeler. He is also Chairman of the Global Centre for Maritime Decarbonisation, and a trustee of the Lloyd's Register Foundation.

Mr Sohmen-Pao was previously Chairman of the Singapore Maritime Foundation and has served as a non-executive director of Hongkong and Shanghai Banking Corporation Ltd, London P&I Club, Singapore Symphonia Company, National Parks Board Singapore, Sport Singapore and the Maritime and Port Authority of Singapore amongst others.

REBEKKA GLASSER HERLOFSEN
Director

Rebekka Glasser Herlofsen has over 25 years of experience from the shipping and finance industries, and has served on the management teams of several leading Norwegian shipping companies.

Ms Herlofsen is a board member of Aibel ASA, Rockwool International A/S, the Torvald Klaveness Group, Wilh. Wilhelmsen Holding ASA and Egmont Group, and Chair of the boards of the marine insurer Norwegian Hull Club and of Handelsbanken Norway.

Ms Herlofsen is independent from the Company's management, major shareholders and principal business associates.

MAARTEN R. SCHOLTEN
Director

Maarten R. Scholten has over 30 years of extensive legal, financial and operational experience in the upstream oil and gas sector.

Mr Scholten has held senior and executive positions at Schlumberger spanning two decades. He was co-founder of Delta Hydrocarbons, an alternative investment fund in the upstream oil and gas sector and held the role of General Counsel at TotalEnergies SA from 2013 to 2017.

Mr Scholten is independent from the Company's management, major shareholders and principal business associates.

RENÉ KOFOD-OLSEN
Director

René Kofod-Olsen has experience from almost three decades in the global shipping and energy industries.

Mr Kofod-Olsen was appointed Chief Executive Officer and Board Executive of V.Group in 2020. In 2012, he was appointed Chief Executive Officer of Topaz Energy & Marine, a position he held until the company's successful divestment in 2019. He stepped down after completing the integration process in 2020.

Mr Kofod-Olsen is independent from the Company's management, major shareholders and principal business associates.

KEES VAN SEVENTER
Director

Kees van Seventer has more than 25 years' experience in infrastructure, new technologies, LNG and energy transition industries.

Mr van Seventer is a Managing Partner at KS7 Impact Ventures. He also serves as Chairman of the KitchenSmart Foundation and is a Board member of Sohar Industrial Port Company on behalf of the Port of Rotterdam.

Mr. Kees van Seventer does not hold any ownership interest in the Company and is currently engaged under a one year consultancy contract with BW Offshore.

Senior Management

MARCO BEENEN
CEO

STÅLE ANDREASSEN
CFO

ANDERS S. PLATOU
CSO

MIKE MCAREAVEY
CTO

MONA RAJOO
CCO

MING YEN YIP
General Counsel

COMMITTEES

	Gender	Role
Audit Committee		
Rebekka Glasser Herlofsen	F	Chair
René Kofod-Olsen	M	Member
Nomination Committee		
Sophie Smith	F	Chair
Bjarte Bøe	M	Member
Elaine Yew Wen Suen	F	Member
Technical and Commercial Committee		
Maarten R. Scholten	M	Chair
Kees van Seventer	M	Member
Compensation Committee		
Andreas Sohmen-Pao	M	Chair
Maarten R. Scholten	M	Member

Read more about the committees on the Company's website.

Corporate Governance Report

BW Offshore Limited is a Bermuda limited liability company listed on Oslo Børs (the 'Oslo Stock Exchange' – part of Euronext). BW Offshore Limited ('BW Offshore' or 'Company') and its activities are primarily governed by the Bermuda Companies Act, its Memorandum of Association and its Byelaws.

Certain aspects of the Company's activities are governed by Norwegian law pursuant to the Listing Agreement between the Oslo Stock Exchange and the Company. In particular, the Norwegian Securities Trading Act and the Norwegian Stock Exchange Regulations will generally apply.

1 IMPLEMENTATION AND REPORTING ON CORPORATE GOVERNANCE

The Board of Directors (the 'Board') is of the opinion that the interests of the Company, and its shareholders taken as a whole, are best served by the adoption of business policies and practices which are legal, compliant, ethical and open in relation to all dealings with customers, potential customers and other third parties. These policies are fair and in accordance with best market practice in relationships with employees and are also sensitive to reasonable expectations of public interest.

The Board therefore commits the Company to good corporate governance and seeks to comply with the most current version of the Norwegian Code of Practice for Corporate Governance, dated 14 October 2021 (the 'Code'), prepared by the Norwegian Corporate Governance Board.

The Board provides an overview of the Company's corporate governance practices in the Company's annual report. The review addresses each individual section of the Code and provides an explanation and description of the chosen alternative approach if the Company does not fully comply with the Code.

Deviations to the Code

As at 31 December 2024, the Company did not comply with the following recommendations of the Code:

- **Section 3**: Board powers to issue and purchase shares are neither limited to specific purposes nor to a specified period.
- **Section 5:** Bye-laws include a right for the Board to decline to register the transfer of shares.
- **Section 8**: The composition of the Board does not meet the recommended gender guidelines of the Code.

2 THE BUSINESS

In accordance with common practice for Bermuda incorporated companies, the Company's objectives as set out in the Company's Memorandum of Association are wider and more extensive than recommended by the Code.

The Board is responsible for and shall take the lead on the Company's strategic planning, and should define clear objectives, strategies and risk profiles for the Company's business activities such that the Company creates value for the shareholders, other stakeholders and society at large in a sustainable manner.

The Company's objectives, main strategies and risk profiles are subject to annual review and described in the annual report, and take into consideration financial, social and environmental factors.

BW Offshore has implemented corporate values and ethical guidelines that are described in the Company's Code of Ethics and Business Conduct (the Code) and internal policies, as well as in the sustainability report, included in the annual report. The Company's expectations of vendors and third parties are stated in the BW Offshore's Supplier Code of Ethics and Business Conduct (the Supplier Code) and in the Supplier Ethical Employment Practice Guideline. These documents are available on the company website www.bwoffshore.com. Identified risks and opportunities are described in the annual report, and a corporate risk registry is regularly reviewed by the Company and at least annually by the Board.

3 EQUITY AND DIVIDENDS

Equity and Capital Structure

On 31 December 2024, the Company's consolidated equity was USD 1 246.6 million, which is equivalent to 30.8 per cent of total assets. The Board continuously evaluates the Company's capital requirements to ensure that the Company's capital structure is at a level which is suitable considering the Company's objectives, strategy and risk profile.

Dividend Policy

Pursuant to the Company's Bye-laws, the Board is authorised to declare dividends to the shareholders. The Board has drawn up a clear and predictable dividend policy, which was last revised and approved by the annual general meeting on 18 May 2020:

"BW Offshore has an objective to generate competitive long-term total shareholder returns. This return will be achieved through growth and dividend payments. The Company targets to pay dividends on a quarterly basis. The Board of Directors will target a sustainable dividend level that can grow over time, taking into account the overall cash flow position and future capital requirements. In addition to paying a cash dividend, BW Offshore may also buy back shares as part of its plan to distribute capital to shareholders."

During 2024, the Company paid a total of approximately USD 0.2755 per share in annual cash dividends. The cash dividend payments totalled USD 0.2755 per share split between four payments in March, June, September and November.

Authorisations to issue new shares and share buy-backs

Pursuant to Bermuda law and as is common practice for Bermuda-incorporated companies, the Board has wide powers to issue any authorised unissued shares in the Company on such terms and conditions as it may decide and may exercise all powers of the Company to purchase the Company's own shares. The powers of the Board to issue and purchase shares are neither limited to specific purposes nor to a specified period as recommended in the Code. As at 31 December 2024, the total authorised share capital in the Company was USD 107 million.

New Long Term Incentive Programme 2024

The Board of Directors of BW Offshore Limited ("BWO" or the "Company") has approved a New Long-Term Incentive Programme (LTIP). The programme is a combination of Share Options and Restricted Share Unit (RSUs), aimed to align the interests of the participating employees with those of the Company's shareholders. The programme is discretionary, and participants are invited on an annual basis.

The total number of options awarded under the LTIP for 2024 is 800 000 where each option will give the holder the right to acquire one BW Offshore share. A total of 6 BW Offshore employees have been invited to participate in the Share Option Programme. The strike price of the options is calculated based on the volume weighted average share price five trading days prior to grant date, plus a premium of 15.76 per cent (corresponding to a 5% increase annually over three years) The options will have a vesting period of three-year followed by a three-year exercise period. Exercise windows are set by the Company. The options will expire six years after the award date.

For the year 2024, the Board of Directors has on 7 March 2024 awarded 115 634 RSUs to 19 employees within the Company.

The RSUs will be settled in shares following a three-year vesting period from the grant date.

A claw back policy is applicable and is described in the Terms and Conditions of the LTIP.

Purchase of Own Shares

There were no transactions related to the Company's own shares in 2024. On 31 December 2024, BW Offshore held a total of 4 141 437 treasury shares or 2.24 per cent of the total number of issued shares.

4 EQUITABLE TREATMENT OF SHAREHOLDERS

The Company has one class of shares. Each share in the Company carries one vote, and all shares carry equal rights, including the right to participate in general meetings. All shareholders shall be treated on an equal basis, unless there is just cause for treating them differently.

Pre-Emption Rights to subscribe

Pursuant to Bermuda law and common practice for Bermuda–incorporated companies, the shareholders of the Company do not have pre–emption rights in share issues unless otherwise resolved by the Company. The Code requires that any decision to issue shares without pre–emption rights for existing shareholders shall be justified. In the event that BW Offshore waives the pre–emption rights of existing shareholders, the Board of Directors will explain the justification in the stock exchange announcement issued in connection with the increase in share capital. There were no share issues in 2024.

Trading in own shares

Any transactions the Company carries out in its own shares shall be carried out either through the Oslo Stock Exchange or with reference to prevailing stock exchange prices if carried out in another way. If there is limited liquidity in the Company's shares, the Company shall consider other ways to ensure equal treatment of all shareholders. The Company did not trade in its own shares during 2024..

5 SHARES AND NEGOTIABILITY

The Company's constituting documents do not impose any restrictions on the ability to own, trade or vote for shares in the Company and the shares in the Company are freely transferable. However, the Bye–laws include a right for the Board to decline to register the transfer of any share, and may direct the Registrar to decline (and the Registrar shall decline if so requested) to register the transfer of any interest in a share held through Euronext VPS, where such transfer would, in the opinion of the Board, likely result in 50 per cent or more of the aggregate issued and outstanding share capital of the Company, or shares of the Company to which are attached 50 per cent or more of the votes attached to all issued and outstanding shares of the Company, being held or owned directly or indirectly by individuals or legal persons resident for tax purposes in Norway or, alternatively, such shares being effectively connected to a Norwegian business activity, or the Company otherwise being deemed a Controlled Foreign Company as such term is defined pursuant to Norwegian tax legislation. The purpose of this provision is to avoid the Company being deemed a Controlled Foreign Company pursuant to Norwegian tax rules.

6 GENERAL MEETINGS

The annual general meeting normally takes place on or before 31 May each year. The 2024 annual general meeting was held on 23 May. The Board seeks to ensure that as many shareholders as possible can participate in the Company's general meetings and that the general meetings are an effective forum for the views of shareholders and the Board. In order to facilitate this:

- the notice and the supporting documents and information on the resolutions to be considered at the general meeting shall be available on the Company's website no later than 21 calendar days prior to the date of the general meeting.
- the resolutions and supporting documentation, if any, shall be sufficiently detailed, comprehensive and specific to allow shareholders to understand and form a view on matters that are to be considered at the meeting.
- the registration deadline, if any, for shareholders to participate at the general meeting shall be set as closely to the date of the general meeting as practically possible and permissible under the provision in the Bye–laws.
- the shareholders shall have the opportunity to vote separately on each individual matter, including on each individual candidate nominated for election to the Company's Board and committees (if applicable).

Registration is made in writing, sent by post or by e–mail. Shareholders who cannot be present at the general meeting must be given the opportunity to vote by proxy or to participate by using electronic means. The Company shall in this respect:

- provide information on the procedure for attending by proxy;
- nominate a person who will be available to vote on behalf of shareholders as their proxy; and
- prepare a proxy form, which shall, insofar as this is possible, be formulated in such a manner that the shareholder can vote on each item that is to be addressed and vote for each of the candidates that are nominated for election.

It is not uncommon in Bermuda-incorporated companies for the Chairman to preside over a general meeting. Consistent with the recommendations of the Code, the Company's Bye-laws allow for an independent person to be appointed to chair a general meeting.

The minutes of the annual general meeting are published on the Company's website no later than three business days after the date of the meeting.

7 NOMINATION COMMITTEE

The nomination committee is governed by the Company Bye-laws section 37.3.

The Nomination Committee composition is determined by the Company's general meeting from time to time, and the members are appointed by a general meeting resolution, including the chairman of the committee. The general meeting determines the remuneration of the Nomination Committee and stipulates guidelines for the duties of the Nomination Committee. The guidelines are available at the Company's website www.bwoffshore.com, and the Company will provide shareholders with any deadlines for submitting proposals for candidates to the Nomination Committee.

The composition of the Nomination Committee should reflect a broad range of shareholder interests. The Code recommends that the majority of the committee shall be independent of the Board and the executive personnel of the Company. The Nomination Committee shall not include the Company's Chief Executive Officer or any other executive personnel. None of the members of the Nomination Committee of the Company is a member of the Board of Directors or executive personnel.

The Nomination Committee's primary duty is to propose candidates for election as members of the Board of Directors and to propose the remuneration to be paid to the members of the Board of Directors. The Nomination Committee justifies its recommendations for each candidate separately.

NOMINATION COMMITTEE

Name	Role	Considered independent of the board of directors and executive personnel	Served since
Ms Sophie Smith[1]	Chair	Yes	2022
Mr Bjarte Bøe	Member	Yes	2014
Ms Elaine Yew	Member	Yes	2014

[1] Ms. Sophie Smith stepped down as a member and, accordingly, as the Chair of the Nomination Committee in January 2025. The Company will seek shareholders' approval for the appointment of a new member and Chair of the Nomination Committee at the 2025 AGM.

8 THE COMPOSITION AND INDEPENDENCE OF THE BOARD

The Board composition is governed by the Company's Bye-laws. The Board may consist of up to eight directors. The directors are elected for a period of one year unless otherwise determined by the general meeting. Members of the Board may be re-elected. The Board appoints the Chairman amongst the elected Board members.

The composition of the Board ensures that it can act independently of any special interests. A majority of the shareholder-elected members of the Board are independent of the Company's executive personnel and material business connections of the Company. In addition, at least three of the members of the Board are independent of the Company's major shareholder(s). A major shareholder is defined as owning 10 per cent or more of the Company's shares or votes, and independence entails that there are no circumstances or relations that may be expected to be able to influence independent assessments of the person in question.

The Board does not include the Company's chief executive officer or any other executive personnel. The composition of the Board does not meet the recommended gender guidelines of the Code but meets the Company's need for expertise and diversity. A short description of our directors and their respective areas of expertise are presented on the Company's website www.bwoffshore.com.

Members of the Board are welcome to own shares in the Company.

BOARD OF DIRECTORS

Name	Role	Considered independent of the main shareholder and executive personnel	Served since	Term expires	Participation in board meetings in 2024	Shares in BW Offshore (direct/indirect)	Nationality
Mr Andreas Sohmen-Pao	Chair	No	2014	2024	100%	90 245 285	Austrian
Ms Rebekka Glasser Herlofsen	Director	Yes	2020	2024	100%	0	Norwegian
Mr Maarten R. Scholten	Director	Yes	2010	2024	100%	160 761	Dutch
Mr René Kofod-Olsen	Director	Yes	2019	2024	100%	13 183	Danish
Mr. Kees van Seventer	Director	Yes	2024	2024	100%	0	Dutch

9 THE WORK OF THE BOARD

The Board is ultimately responsible for the management of the Company and for supervising its day-to-day management. The duties and tasks of the Board are detailed in the Company's Bye-laws.

The Board produces an annual plan for its work, with particular emphasis on objectives, strategy and implementation. The Board issues instructions for its own work, as well as for the Company's executive personnel, with particular emphasis on clear internal allocation of responsibilities and duties. The Board carries out an annual evaluation of its performance and expertise.

In case of any material transactions between the Company and a shareholder, a shareholder's parent company, director, officer, or persons closely related to any of these (collectively referred to as 'related parties'), the Company has in place guidelines and procedures as to how the Board and executive personnel of the Company shall handle agreements with related parties, including when the Board should obtain a valuation from an independent third party. Independent valuations shall also be obtained in respect of transactions between companies within the same group where any of the companies involved have minority shareholders. For more information regarding related party transactions, see Note 22 of the annual report.

Directors and officers of the Company and other leading personnel shall notify the Board if they directly or indirectly have a significant interest in matters to be considered by the Board of Directors.

In order to conduct its work, the Board annually schedules in advance quarterly meetings of the Board for the following calendar year, although additional meetings may be called by any director of the Company. The Board held an aggregate of six meetings in 2024. The directors normally meet in person, but if allowed by the chairman, directors may participate in any meeting of the Board by means of telephone or video conference. Minutes in respect of the meetings of the Board of Directors are maintained by the Company in Bermuda.

The Board shall provide details in the annual report of any Board committees appointed. As at 31 December 2024, the Company had the following Board-appointed Committees:

Audit Committee

The Audit Committee acts as an advisory committee to the Board. The Audit Committee is responsible for reviewing the financial statements of the Company and advising the Board as to whether they show a true and fair view and have been prepared in accordance with the law and all regulations and standards applicable to the Company. The Audit Committee also reviews the Company's key areas of exposure to risk and internal control arrangements, as well as an annual supervisory plan for internal audit work. The Audit Committee reviews the compliance systems and procedures and follows up on internal controls in connection with quarterly reviews of the Group's financial reporting. The Audit Committee oversees the Company's annual sustainability report and assesses the efforts of the Company to satisfy external stakeholder expectations and align with corporate strategy and value creation and report to the Board accordingly. At least once a year, the Audit Committee reviews the Company's internal control procedures relating to its financial reporting process. On 31 December 2024, the Audit Committee consisted of Rebekka Glasser Herlofsen (Chair) and René Kofod-Olsen, both of whom are independent members of the Board.

Technical and Commercial Committee

The Technical and Commercial Committee acts as a preparatory and advisory committee to the Board in respect of the management of the Company's business. Matters reviewed by the Committee, and reported to the Board, include commercial and technical matters relating to the Company's operations, and marketing and tender activities of the Company. At least once a year, the Technical and Commercial committee will also review the systems utilised by the Company for identifying areas of material business risk, for measuring their possible impact on the Group and the procedures in place to mitigate the impact of such risks. On 31 December 2024, the Technical and Commercial Committee consisted of Maarten R. Scholten (Chair) and Kees van Seventer, both of whom are independent members of the Board.

Compensation Committee

The Compensation Committee acts as a preparatory and advisory committee for the Board in order to ensure thorough and independent preparation of matters relating to compensation to the executive personnel. On 31 December 2024, the Compensation Committee consisted of Andreas Sohmen-Pao (Chair) and Maarten R. Scholten, both of whom are members of the Board.

The Terms of Reference for the Audit Committee and the Guidelines for the Nomination Committee, the Technical and Commercial Committee and the Compensation Committee are available on www.bwoffshore.com.

10 RISK MANAGEMENT AND INTERNAL CONTROL

The Board ensures that the Company has sound internal control procedures and systems to manage its exposure to risks related to the conduct of the Company's business, to support the quality of its financial reporting and to ensure compliance with laws and regulations. Such procedures and systems contribute to securing shareholders' investment and the Company's assets.

Management and internal control are based on Company-wide policies and internal guidelines in areas such as Finance and Accounting, HSE, Project Management, Operation, Technical and Business Development, in addition to implementation and follow-up of a risk assessment process. The management system is central to BW Offshore's internal control and ensures that the Company's purpose, policies, goals and procedures are known and adhered to.

The Board annually reviews the Company's most important areas of exposure to risk and its internal control arrangements and an annual supervisory plan for internal audit work is approved by the CEO, based on HSSEQ recommendations and risk assessments carried out.

The Head of Corporate Integrity is responsible for the internal audit in BW Offshore and reports relevant matters directly to the Audit Committee. In addition to its own controlling bodies and external audit, BW Offshore is subject to external supervision by DNV for classification in accordance with relevant ISO standards.

The Board's Audit Committee follows up internal control in connection with quarterly reviews of the Group's financial reporting. The Chief Financial Officer, the Company's other relevant senior staff and representatives of the external auditor, attend the meetings of the Audit Committee.

The systems for risk management and internal control also encompass the Company's guidelines regarding how the Company integrates considerations related to stakeholders into its creation of value. Please see the sustainability report included in the annual report for further information.

BW Offshore has established a Code of Conduct for the Company and its employees, providing guidance on how they can communicate with the Board to report matters relating to illegal or unethical conduct by the Company.

11 REMUNERATION OF THE BOARD OF DIRECTORS

The general meeting decides the remuneration of the Board based on a proposal from the Nomination Committee. The remuneration of the Board and its individual directors shall reflect the Board's responsibility, competence, use of resources and the complexity of the business activities. The remuneration of the directors shall not be linked to the Company's performance and the directors do not receive profit-related remuneration or share options or retirement benefits from the Company. Any remuneration in addition to normal fees to the directors is specifically stated in the annual report. Detailed information of Board remuneration can be found in Note 6 of the consolidated financial statements.

Directors or companies related to BW Offshore shall not normally undertake special tasks for the Company in addition to the directorship. However, if they do so, the entire Board shall be informed and the fee, if any, shall be approved by the Board.

12 SALARY AND OTHER REMUNERATION OF THE EXECUTIVE PERSONNEL

Salary and other remuneration of the executive personnel is reviewed annually by the Compensation Committee, which generally considers the executive personnel's performance and also gathers information from comparable companies before making its recommendation to the Board for approval. Such recommendation shall contribute to execution of strategy, long-term value creation and financial viability and ensure convergence of the interests of the executive personnel and the shareholders. The Guidelines on Executive Remuneration is available on the Company's website, www.bwoffshore.com.

Any performance-related remuneration to executive personnel is subject to an absolute limit. The limit is approved by the Board of Directors based on a recommendation from the Compensation Committee, which is available on the website. The maximum potential pay-out of the Variable Compensation Scheme for the Senior Management Team is set at six months' salary.

Any share option programme in the Company available to the employees of the Company, and subsidiaries, requires the approval of the Board.

Detailed information of remuneration, loans, shareholding of the management and any share option programmes can be found in Note 6 of the consolidated financial statements.

13 INFORMATION AND COMMUNICATIONS

BW Offshore is committed to provide information in a manner that contributes to establishing and maintaining confidence with important interest groups and stakeholders. The information is based upon transparency, openness and equal treatment of all shareholders. A pre-condition for the share value to reflect the underlying values in the Company is that all relevant information is disclosed to the market. Based on this, BW Offshore will endeavour to keep the shareholders informed about profit developments, prospects and other relevant factors for their analysis of the Company's position and value. It is emphasised that the information is uniform and simultaneous. Please see the Investor Relations Policy available on www.bwoffshore.com.

14 TAKE-OVERS

In the event of a takeover process, the Board shall ensure that the Company's shareholders are treated equally and that BW Offshore's activities are not unnecessarily interrupted. The Board shall also ensure that the shareholders have sufficient information and time to assess the offer. In the event of a takeover process, the Board shall abide by the principles of the Code, and also ensure that the following take place:

- the Board shall ensure that the offer is made to all shareholders, and on the same terms;
- the Board shall not undertake any actions intended to give shareholders or others an unreasonable advantage at the expense of other shareholders or the Company;
- the Board shall strive to be completely open about the take-over situation;
- the Board shall not institute measures which have the intention of protecting the personal interests of its members at the expense of the interests of the shareholders; and
- the Board must be aware of the particular duty the Board carries for ensuring that the values and interests of the shareholders are safeguarded.

The Board shall not attempt to prevent or impede the takeover bid unless this has been decided by the shareholders in the general meeting in accordance with applicable laws. The main underlying principles shall be that the Company's shares shall be kept freely transferable and that the Company shall not establish any mechanisms which can prevent or deter takeover offers unless this has been decided by the shareholders in the general meeting in accordance with applicable law.

If an offer is made for the Company's shares, the Board shall issue a statement evaluating the offer and making a recommendation as to whether shareholders should or should not accept the offer. If the Board finds itself unable to give a recommendation to the shareholders on whether or not to accept the offer, it should explain the reasons for this. The Board's statement on a bid shall make it clear whether the views expressed are unanimous, and if this is not the case, it shall explain the reasons why specific members of the Board have excluded themselves from the statement. The Board shall consider whether to obtain a valuation from an independent expert. If any member of the Board, or close associates of such member, or anyone who has recently held a position but has ceased to hold such a position as a member of the Board, is either the bidder or has a particular personal interest in the bid, the Board shall obtain an independent valuation. This shall also apply if the bidder is a major shareholder (as defined in section 8 on page 20). Any such valuation should either be enclosed with the Board's statement or reproduced or referred to in the statement.

15 AUDITOR

The auditor is appointed by the general meeting and is independent of the business of the Company. The auditor shall annually confirm its independence in writing to the Audit Committee. On 31 December 2024, the external auditor of the Company is KPMG AS.

The auditor holds office for the term resolved by the general meeting or until a successor is appointed and is responsible for the audit of the consolidated financial statements of the Company. The Board of Directors shall ensure that the auditor annually presents an audit plan to the Audit Committee and/or the Board.

The Audit Committee shall invite the auditor to participate in the Audit Committee's review and discussion of the annual accounts and quarterly interim accounts. In these meetings, the Audit Committee is informed of the annual and quarterly accounts and issues of special interest to the auditor. Further, the auditor shall participate in meeting(s) of the Board that deal with the annual accounts. At these meetings the auditor should review any material changes in the Company's accounting principles, comment on any material estimated accounting figures and report all material matters on which there has been disagreement between the auditor and the management of the Company and/or the Audit Committee.

At least once a year, the Audit Committee reviews the Company's internal control procedures with the auditor, including weaknesses identified by the auditor and proposals for improvement.

The Board has established guidelines specifying the right of the Company's executive management to use the auditor for purposes other than auditing.

The auditor's remuneration is approved by the shareholders at the general meeting or in such manner as the general meeting may determine. For more information about remuneration of the auditor, see Note 6 in the consolidated financial statements.

Shareholder Information

It is in the interest of BW Offshore, as a public listed company, to effectively communicate with the financial community and other stakeholders in order to provide consistent and transparent information to ensure fair treatment of all stakeholders. The integrity of the capital markets is based on full and fair disclosure of information.

BW Offshore will maintain a reliable and open relationship with investors, and the company's objective is to provide a higher return than alternative investments with a comparable risk profile. Return is measured on a total shareholder return basis, including both share price performance and dividend payments. Based on these value parameters, the BW Offshore share shall be an attractive investment opportunity.

All shareholders in BW Offshore have equal rights and the company treats all shareholders equally. The company has one share class and each share carries one vote at the company's general meetings. BW Offshore is a Bermuda limited liability company listed on the Oslo Stock Exchange. The company is therefore obliged to comply with the Bermuda Companies Act, its Memorandum of Association and its Bye-laws, as well as the disclosure requirements of the Oslo Stock Exchange. Certain aspects of the company's activities are governed by Norwegian law pursuant to the Listing Agreement between the Oslo Stock Exchange and the company. In particular, the Norwegian Securities Trading Act and the Norwegian Stock Exchange Regulations will generally apply.

BW Offshore is committed to providing timely, orderly, consistent and credible information. Information and communication are regulated by the company's media policy and investor relation policy, and cover disclosures to the investment community, the press, industry consultants and other audiences. All investors have equal access to material information, and all information provided externally by the company shall be consistent with disclosures to the investment community.

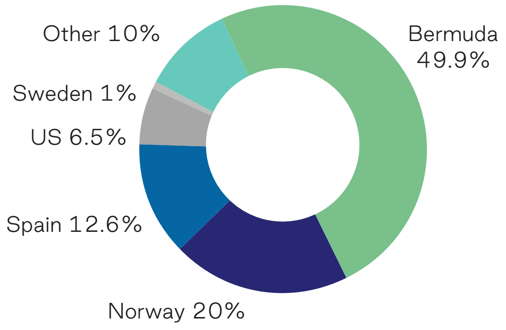
During a period of two weeks before the planned release of an interim financial report, BW Offshore will not comment on matters related to the company's financial performance or expectations, save for ordinary communication with analysts and investors on general aspects of the business.

BW Offshore maintains a list of primary insiders in the company, and will also maintain internal lists for insiders in cases sensitive to the stock prices.

The investor relations activities aim to ensure that:

- The information it provides to the financial markets gives market players the best possible basis for establishing a precise picture of the company's financial condition and factors which might affect its future value creation.
- The market price of BW Offshore's shares reflects the fair value of the company.
- BW Offshore's shares remain as liquid as possible, with lowest possible volatility.
- BW Offshore maintains access to capital markets on the most favourable possible terms.
- BW Offshore's Board of Directors and executive management are adequately informed about developments in financial markets and about stakeholder views on the company's position and development.

GEOGRAPHICAL DISTRIBUTION OF SHAREHOLDERS



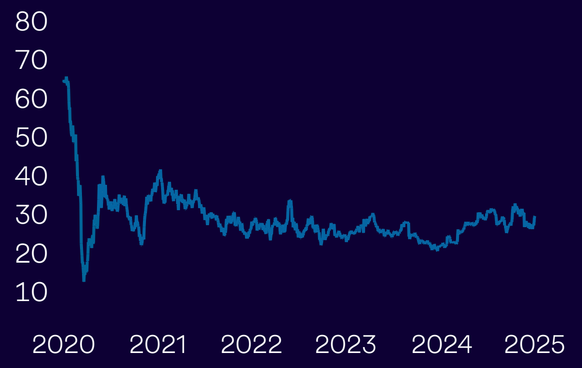
20 LARGEST SHAREHOLDERS

	Name	No of shares	Holding %
1	BW Group Limited	90 245 285	49.91%
2	Cobas Asset Management SGIIC S.A.	22 622 290	12.51%
3	Salt Value AS	5 265 289	2.91%
4	Vanguard	3 185 299	1.76%
5	Dimensional Fund Advisors	3 131 400	1.73%
6	Holmen Fondsforvaltning AS	3 003 496	1.66%
7	Sissener AS	3 000 000	1.66%
8	Øyvin A. Brøymer with companies	2 200 008	1.22%
9	American Century Investment Management	1 810 004	1.00%
10	Nordnet Bank AB	1 209 209	0.67%
11	DWS Investments	1 152 752	0.64%
12	Nordnet Livsforsikring AS	1 047 944	0.58%
13	Heimdal Forvaltning AS	1 000 000	0.55%
14	BlackRock	847 180	0.47%
15	DNB Asset Management AS	822 001	0.45%
16	Harald Espedal	741 590	0.41%
17	AS Clipper	736 525	0.41%
18	Helmer AS	600 000	0.33%
19	State Street Global Advisors	556 794	0.31%
20	Avanza Bank AB	493 683	0.27%

BW Offshore has issued a total of 184 956 320 shares of which 4 141 437 were held as treasury shares as of 31 December 2024. The year-end total number of outstanding shares stood at 180 814 883. Source: Monitor by Modular Finance. Compiled and processed data from various sources, including VPS, Morningstar, Norwegian Financial Supervisory Authority (Finanstilsynet), Millistream. The verification date may vary for certain shareholders.

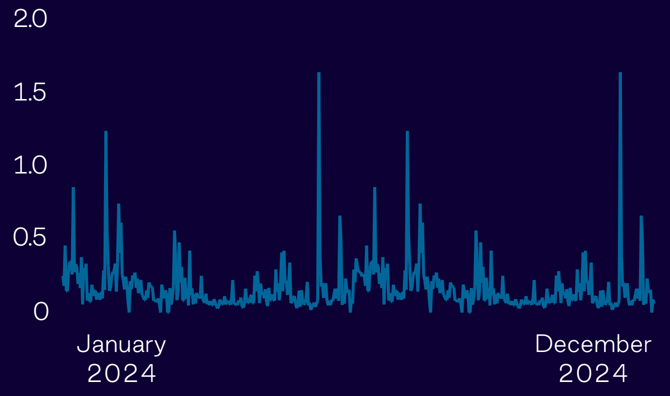
SHARE PRICE

NOK



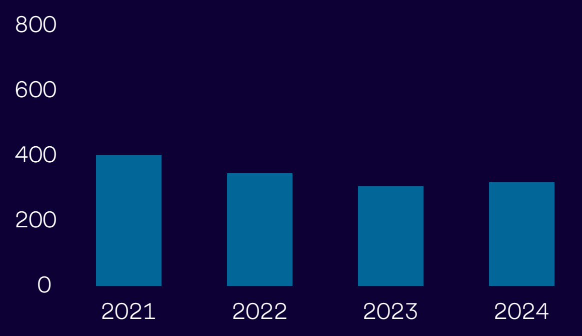
TRADING VOLUME

Million (number of shares)



EBITDA[1]

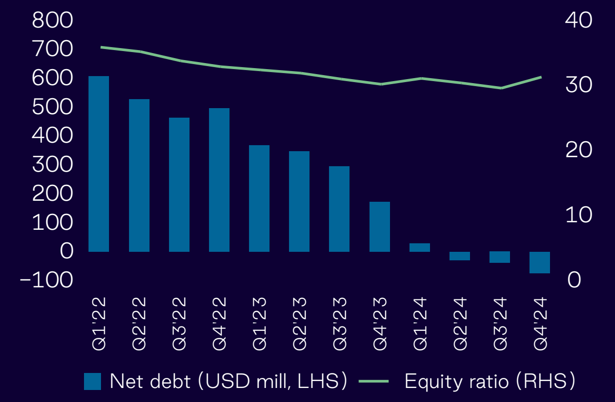
USD Million



[1] Adjusted for discontinued operation.

NET DEBT & EQUITY RATIO

USD Million



Sustainability Statement

Key Figures for 2024

SAFE AND SECURE OPERATIONS

5
Number of LTIs

0.49
LTI rate

ENVIRONMENTALLY CONSCIOUS OPERATIONS

63.1%
Reduction of Scope 3 emissions in 2024 compared to 2023

0
Number of significant oils spills

NON-DISCRIMINATING AND FAIR EMPLOYER

6.78%
Gender pay-gap improvement in 2024 compared to 2023

100%
Onshore workforce entitled to take family-related leave

STRONG GOVERNANCE FRAMEWORK

33
Reports through the SpeakUp Channel

100%
Direct vendors screened for social criteria

Introduction

BW Offshore Limited's ('BW Offshore' or 'the company', 'we', 'us' and 'our') Sustainability Statement for the fiscal year 2024 is structured to meet the standards set by the European Sustainability Reporting Standards (ESRS) under the Corporate Sustainability Reporting Directive (CSRD).

This statement offers stakeholders a clear, thorough account of our sustainability performance, alongside the material impacts, risks, and opportunities (IROs) across BW Offshore's value chain.

With four decades of expertise in offshore energy production, BW Offshore recognises the importance of addressing sustainability holistically. Our approach in this statement reflects our assessment of double materiality by identifying how our activities affect stakeholders and the environment while considering actual and potential financial effects of sustainability matters.

REPORT STRUCTURE

ESRS 2 General Disclosures

This foundational section offers an account of our approach to double materiality, governance structures, stakeholder engagement, and the processes used to identify and assess IROs. It explains our reporting basis, scope, and consolidation practices, as well as how we align sustainability oversight with strategic business objectives and value chain resilience.

Environmental

This section highlights our strategies for emissions reduction, pollution management, and resource efficiency across the lifecycle of our Floating Production, Storage and Offloading (FPSO) units and other operational assets.

Social

Focusing on people, this section discusses BW Offshore's commitments to workforce safety, community engagement, human rights, and efforts to foster an inclusive and equitable work environment. We also address how we engage and support our partners and stakeholders along the supply chain.

Governance

This section highlights BW Offshore's commitment to ethical business practices, with a review of our approach to managing business conduct and corporate culture. It highlights the processes and oversight mechanisms in place to mitigate corruption, bribery, and unethical behaviour, adhering to our Code of Ethics and Business Conduct.

ESRS 2

General Disclosures

This section outlines our strategic framework, capturing how governance, risk management, and value chain insights drive informed decisions across our business.

By integrating sustainability with our business processes and aligning with the ESRS, our approach to managing impacts, risks, and opportunities remains precise, scalable, and reflective of real-world challenges and responsibilities relevant to the offshore energy industry.

Basis of Preparation

BP-1 General basis for preparation of sustainability statements
BP-2 Disclosures in relation to specific circumstances

This section provides an overview of our approach to preparing the 2024 Sustainability Statement, clarifying and describing our consolidation basis, scope of data collection, and handling of specific circumstances and estimations.

CONSOLIDATION AND SCOPE

The 2024 Sustainability Statement is prepared on a consolidated basis, covering the same entities included in BW Offshore's consolidated financial statements, as prepared in accordance with IFRS Accounting Standards as adopted by the EU.

The sustainability disclosures cover BW Offshore's own operations, as well as both upstream and downstream segments of our value chain, including suppliers, production processes, distribution, and end-of-life considerations. This approach reflects data sourced through primary engagements and selected estimates where primary data is unavailable.

VALUE CHAIN ESTIMATION

Certain metrics in this statement include upstream and downstream data based on estimated values. These estimates are used in the absence of complete direct data from value chain participants.

Scope 3 Greenhouse gas (GHG) emissions: Upstream Scope 3 GHG emissions are calculated for supplier activities involved in FPSO construction and other transport-related activities. Downstream emissions are FPSO operations under client control. Where direct data is unavailable, BW Offshore applies sector-average emissions factors aligned with IPCC and IEA guidelines, adapted to reflect offshore production norms. In 2025, BW Offshore plans to implement an ESG reporting tool with comprehensive methodologies to calculate Scope 3 emissions where primary supplier data is not available.

90% of Scope 3 emissions are calculated using primary data. For more information on value chain estimates and future improvements, see (page 66). Sources of estimation and outcome uncertainty is available on (page 66).

CHANGES IN PREPARATION OR PRESENTATION OF INFORMATION

In 2024, the first full reporting year under ESRS, we have incorporated minor adjustments in the presentation of our sustainability statement to align more closely with ESRS requirements. These adjustments reflect a continuation of last year's anticipated ESRS-aligned disclosures and enhance the comparability and clarity of sustainability metrics across reporting periods. Comparative figures are presented where applicable, and no significant metric replacements have been made.

REPORTING ERRORS IN PRIOR PERIODS

BW Offshore have identified the following reporting error in the prior period's sustainability disclosures, which have been corrected as follows:

Scope 2 Emissions: The 2023 electricity consumption data provided by the Houston office was inaccurate due to a misunderstanding. Rather than supplying the consumption figures attributable solely to the BW Offshore office, the property mistakenly furnished data covering the entire building.

Updated historical data is provided in the tables showing emission factors and energy consumption and mix (page 64).

DISCLOSURES STEMMING FROM OTHER LEGISLATION OR SUSTAINABILITY FRAMEWORKS

This report includes disclosures stemming from various international frameworks and regulations, including the Norwegian Transparency Act (see page 92), which mandates human rights disclosures, and the EU Taxonomy Regulation for assessing environmentally sustainable activities (see page 50). Additionally, BW Offshore's reporting aligns with frameworks such as the Task Force on Climate-related Financial Disclosures (TCFD), which have been partially integrated to meet diverse stakeholder.

INCORPORATION BY REFERENCE

This report incorporates certain disclosures by reference to align with our consolidated financial statement. Referenced disclosures are specifically noted to facilitate consistency and traceability across reporting frameworks.

Sustainability Governance

GOV-1 The role of the administrative, management and supervisory bodies GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

The Board of Directors (the Board) consists of five non-executive directors, 80 percent of whom are independent. Employee representation is not included within the board structure.

The Board is responsible for overseeing BW Offshore's sustainability strategy, risk management, and governance of impacts, risks, and opportunities (IROs). Further details on the Board's governance responsibilities are provided in the Corporate Governance Report.

BOARD OF DIRECTORS

ANDREAS SOHMEN-PAO
Chair

Andreas Sohmen-Pao leads BW Offshore's board with extensive experience in the maritime and offshore energy sectors, gained through his role as Chairman of BW Group and its affiliates. He brings a strategic focus on global maritime innovation and the energy transition, with a special emphasis on markets in Asia and Europe. His experience positions him well to guide BW Offshore's expansion and compliance across these key regions.

REBEKKA GLASSER HERLOFSEN
Director

With over 25 years in shipping and finance, Rebekka Glasser Herlofsen has served on the management teams of several major Norwegian maritime companies and currently holds board roles with organisations across Scandinavia and Northern Europe. Her financial and governance expertise bolsters BW Offshore's operational resilience in these markets, particularly in regulatory and risk management areas essential for sustaining growth.

MAARTEN R. SCHOLTEN
Director

Maarten R. Scholten offers in-depth legal and operational experience in the upstream oil and gas sector, having served as General Counsel at TotalEnergies. His expertise spans Europe and Africa, where he has been instrumental in navigating complex regulatory frameworks and high-risk environments. Scholten's legal acumen strengthens BW Offshore's compliance and operational protocols, especially in markets with stringent regulatory standards.

RENÉ KOFOD-OLSEN
Director

René Kofod-Olsen's background in shipping and logistics includes senior roles with Maersk across the Middle East, Africa, and Asia. He has directed significant operational expansions within these regions, giving him a nuanced understanding of emerging market dynamics and regulatory complexities. His experience in managing large-scale, regionally diverse operations aligns with BW Offshore's growth strategy in complex global markets.

KEES VAN SEVENTER
Director

Kees van Seventer brings to the board expertise in infrastructure, LNG, and energy transition, drawn from his tenure at the Port of Rotterdam and Royal Vopak. With a focus on Europe and the Middle East, van Seventer has spearheaded energy transition projects that align with BW Offshore's ambitions in sustainable energy solutions. His experience enhances the board's capabilities in adapting to and capitalising on shifting energy landscapes in these regions.

BOARD COMPETENCIES AND EXPERTISE

BW Offshore integrates sustainability expertise into its governance framework by assessing, developing, and applying competencies across its administrative, management, and supervisory bodies. The Board prioritises sector-specific insights and training to promote informed oversight of sustainability-related impacts, risks, and opportunities.

The Board collectively offers expertise in environmental risk management, regulatory compliance, and social governance. Individual members contribute specialised knowledge in emissions management, circular economy principles, resource efficiency, and health, safety, and environmental (HSE) standards critical to FPSO operations. When needed, external experts and training are leveraged to enhance board members' understanding of sustainability topics.

Board members' expertise supports oversight of material sustainability matters, including climate change mitigation, pollution control, and workforce health and safety. The Board provides strategic direction and ensures that BW Offshore's management integrates sustainability considerations into its decision-making processes.

Similarly, expertise in social and governance areas enables effective oversight of workforce safety, well-being, and corporate integrity across our operations and the supply chain.

BOARD COMMITTEES AND THEIR MANDATES

BW Offshore's sustainability-related governance relies on three specialised committees within the Board:

Audit Committee: Chaired by Rebekka Glasser Herlofsen, the Audit Committee has oversight of financial reporting, internal audit, compliance, internal controls, and risk management. It reviews sustainability matters, including double materiality assessments, and advises the Board on climate-related risks and ESG policies.

The committee meets quarterly and works with management on regulatory and operational compliance.

Technical and Commercial Committee: Chaired by Maarten R. Scholten , this committee manages commercial and technical risks related to FPSO operations. It evaluates technology innovations, tender activities, technical risk frameworks, project execution and asset operations management.

The committee integrates sustainability considerations into commercial decision-making and addresses operational and environmental risks.

Compensation Committee: Chaired by Andreas Sohmen-Pao, the Compensation Committee aligns executive remuneration with strategic objectives, including sustainability and long-term performance.

An overview of the board committees and their mandates is included in the corporate governance report (page 17–22). Each committee operates under mandates reviewed annually for consistency with BW Offshore's strategic goals and regulatory requirements.

These mandates define roles and responsibilities for managing impacts, risks, and opportunities and are shared with stakeholders for transparency and accountability.

GO BACK

GOVERNANCE PROCESS AND ENGAGEMENT ON SUSTAINABILITY MATTERS

BW Offshore's governance structure is designed to integrate oversight of IROs within our strategic decision-making and daily operational management. The Board assumes ultimate responsibility for supervising our approach to sustainability, risk management, and operational resilience. This responsibility is governed through dedicated board committees and a structured oversight framework.

The Chief Executive Officer (CEO) leads Senior Management and is responsible for executing BW Offshore's strategic priorities and embedding sustainability and risk management into daily operations. Senior Management meets regularly to assess progress on material IROs and maintains oversight through structured reporting to the Board and Audit Committee.

Dedicated control procedures, such as regular internal audits, third-party evaluations, and compliance checks, are integrated into our internal management process. These controls support continuous improvement of sustainability-related priorities.

BW Offshore has not set measurable, outcome-oriented or timebound targets for material IROs; however, Senior Management tracks sustainability performance and evolving materiality through overseeing the organisation's different functions, and uses relevant information in strategic decision-making.

Governance bodies are regularly informed of sustainability matters through structured reporting frameworks managed by the Audit Committee. The Audit Committee provides the Board with quarterly updates on sustainability-related matters.

OVERSIGHT OVER MATERIAL SUSTAINABILITY MATTERS

Our Board meets at least on a quarterly basis and covers a wide range of material sustainability matters throughout the year.

Quarterly:
- Health, Safety and Environment (HSE) statistics
- Compliance-related topics
- Fleet-wide environmental performance
- New business opportunities
- Financial matters
- Claims and litigations against the company

Bi-annually:
- Corporate strategy

Annually:
- Remuneration guideline and strategy
- Corporate Risk Register
- Annual Report
- Sustainability Statement
- Organisation and competencies review
- Compliance and governance, including reviewing terms of reference for board committees
- Emerging climate-related regulations
- Cyber Security
- Review of remuneration process

Other topics related to material sustainability matters are discussed by the Board as required and in cooperation with management.

INCENTIVE SCHEMES AND SUSTAINABILITY-LINKED PERFORMANCE

GOV–3 Integration of sustainability–related performance in incentive schemes

BW Offshore's incentive schemes focus on sustainability by prioritising safety as a core operational value. The Compensation Committee annually reviews and approves the structure of sustainability–linked incentives, which are tied to health, safety, environment, and quality (HSEQ) performance metrics. If a serious HSEQ incident occurs, the Variable Compensation Scheme (VCS) is reduced to zero for the respective calendar year.

Further details on incentive structures and governance are available in the Corporate Governance Report (page 18).

DUE DILIGENCE

GOV–4 Statement on due diligence

Our due diligence process integrates sustainability–related considerations into governance, strategy, and operations, addressing environmental and social impacts across our value chain. The table outlines each step — from stakeholder engagement and impact assessment to action and performance tracking.

Core elements of Due Diligence	Described in the Sustainability Statement	Does the disclosure relate to people and/or the environment?
Embedding due diligence in governance, strategy and business model	• **ESRS 2 GOV–2**, page page 32–34 — Details governance structure, including board and management roles in sustainability oversight. • **ESRS 2 SBM–1**, page 36–38 — Explanation of BW Offshore's value chain coverage in sustainability assessments. • **ESRS 2 SBM–3**, page page 46–48, 58–61, 68–70, 75–76, 82–84, 90–91, 101–102, 107–108, and 114–116 — Outlines BW Offshore's identification of material impacts, risks, and opportunities (IROs) across the value chain.	People and Environment
Engaging with affected stakeholders in all key steps of the due diligence process	• **ESRS 2 SBM–2**, page 39 — Covers stakeholder engagement and how stakeholder insights shape materiality and risk processes. • **ESRS 2 IRO–1,** page 40 — Engagement stages in stakeholder–related sustainability processes	People
Identifying and assessing adverse impacts	• **ESRS 2 IRO–1**, page 40 — Details application of requirements for sustainability matters in impact identification. • **ESRS 2 SBM–3**, page 46–48, 58–61, 68–70, 75–76, 82–84, 90–91, 101–102, 107–108, 114–116 — Addresses adverse impacts identified within BW Offshore's operations and value chain.	People and Environment
Taking actions to address those adverse impacts	• **ESRS 2 MDR–A**, page 62, 63, 71, 77, 85–87, 94–95, 104, 110–111, 117–120 — Guidelines on specific actions BW Offshore is taking to mitigate identified adverse impacts	Environment
Tracking the effectiveness of these efforts and communicating	• **ESRS 2 MDR–M**, page 62, 63, 71, 77, 85–87, 94–95, 104, 110–111, 117–120 — Procedures for monitoring the effectiveness of BW Offshore's actions to mitigate impacts	People and Environment

SUSTAINABILITY REPORTING AND INTERNAL CONTROL FRAMEWORK

GOV–5 Risk management and internal controls over sustainability reporting

BW Offshore is committed to developing a robust framework for sustainability reporting and recognises the importance of accurate, complete, and timely disclosures to support our long–term strategic goals. Currently, there are no formal risk management or internal control processes specific to sustainability reporting. As part of our continuous improvement efforts, we are evaluating best practices and global standards for the integration of such controls into our risk management framework.

Sustainability risks are considered within operational and functional processes. Potential risks include the completeness and integrity of data, estimation uncertainties, and challenges associated with collecting value chain data. We acknowledge these risks and will develop a risk assessment methodology, risk prioritisation process, and mitigation strategies.

OUR VALUE CHAIN

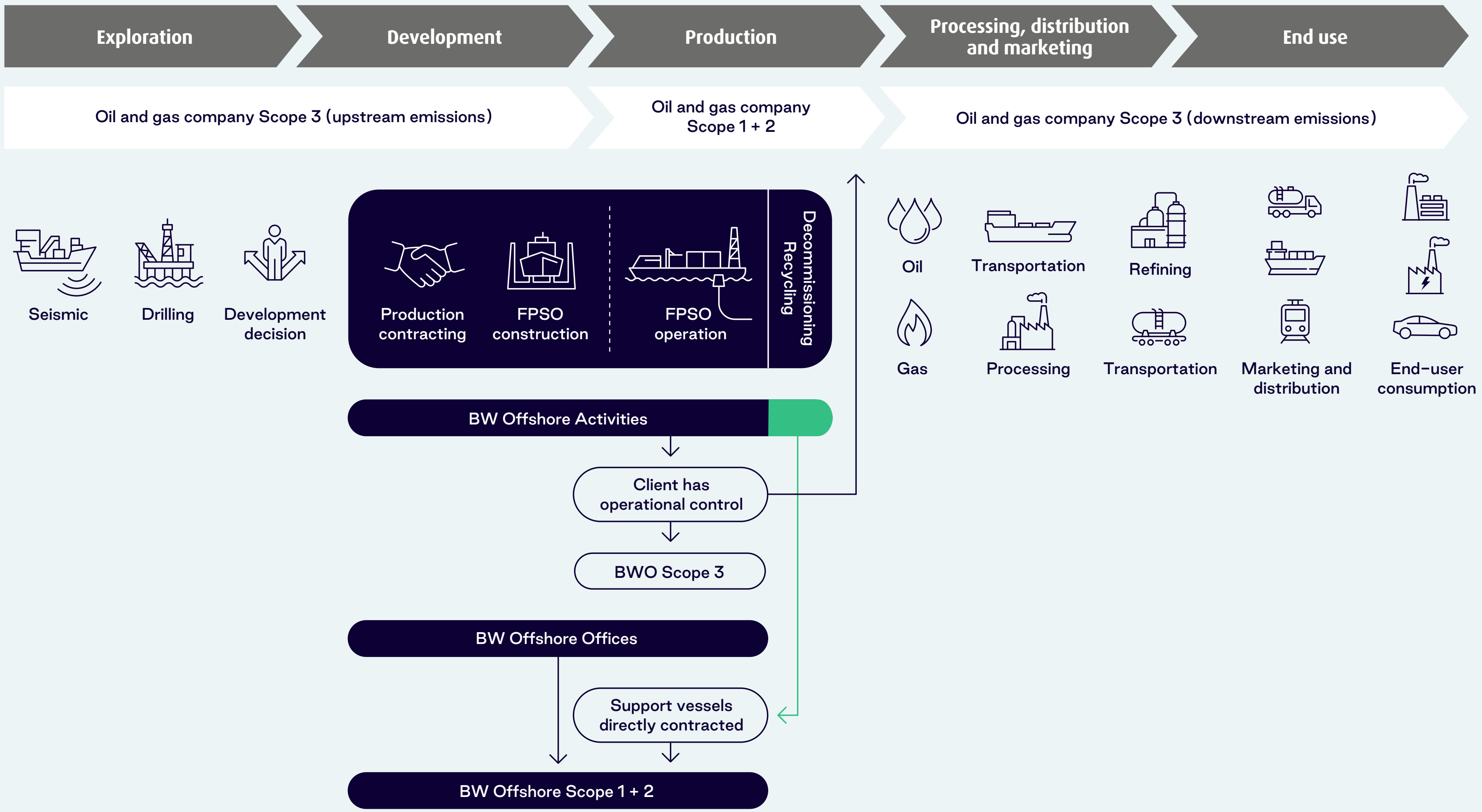
BW Offshore delivers solutions that enable safe and efficient offshore energy production. With the addition of BW Ideol, our activities include engineering, construction, leasing, and operations of FPSOs and floating wind solutions.

The Oil and Gas (O&G) Value Chain

BW Offshore plays a critical role in the O&G value chain by providing specialised infrastructure and services that enable efficient offshore energy production. Our involvement spans from production contracting, to FPSO construction, and long-term operations. Key inputs include advanced engineering expertise, bespoke contracting services, and a skilled workforce. BW Offshore provides seamless transitions from design through construction to production, ending with decommissioning and recycling. This cradle-to-grave approach delivers consistent, sustainable, secure energy supply for clients, creates value for investors, and meets stringent environmental standards.

The illustration depicts the allocation of emission responsibilities. Our clients manage upstream and downstream emissions (Scope 3), and BW Offshore addresses direct Scope 1 and 2 emissions associated with operations.

OIL AND GAS VALUE CHAIN

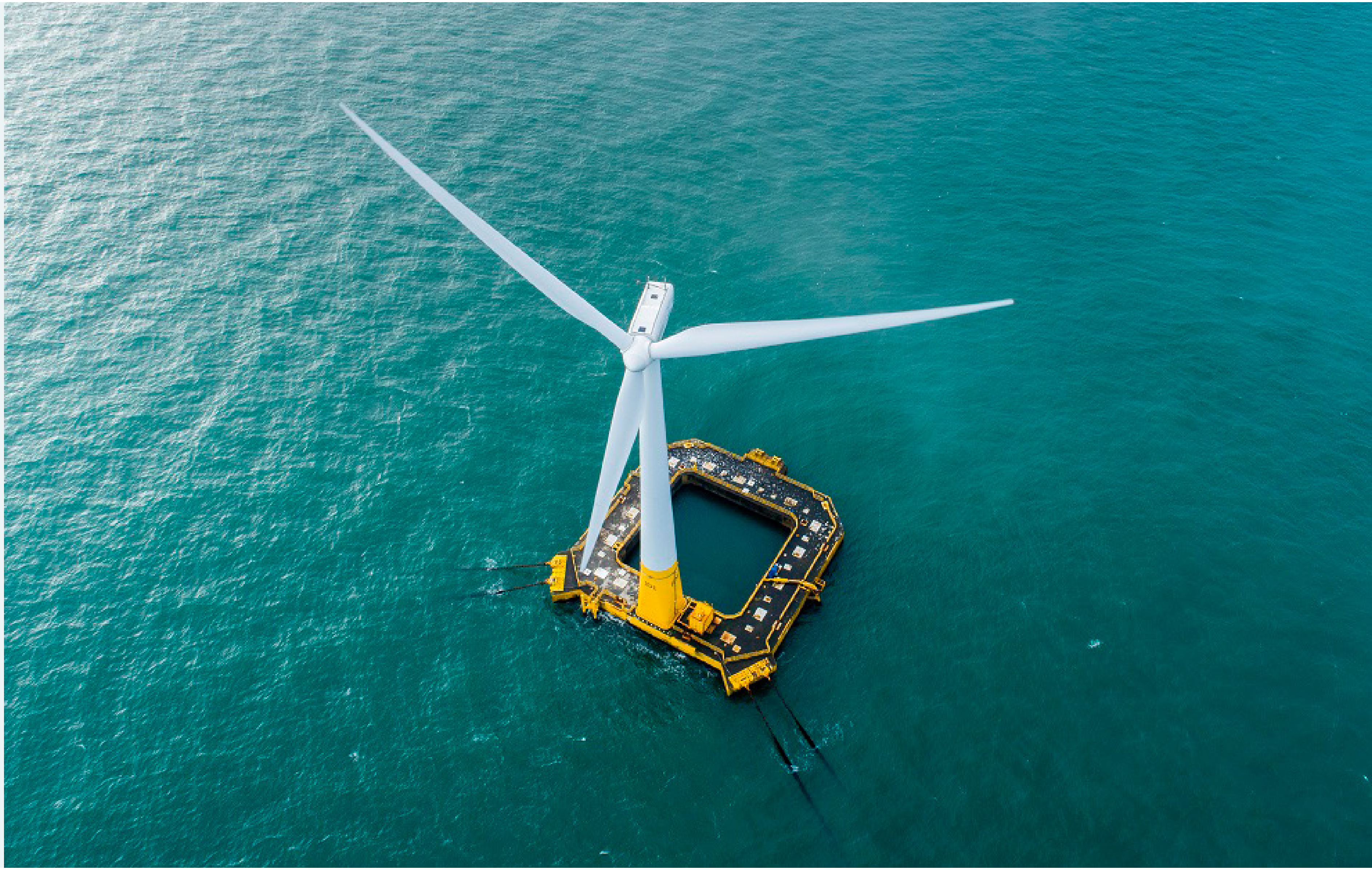


Offshore Floating Wind Value Chains

The offshore floating wind industry follows a structured value chain that begins with design and engineering. Floating platforms and mooring systems are developed for deep-water environments, followed by manufacturing and construction, often utilising regional shipyards to optimise logistics and costs.

Once built, the wind turbine is assembled onshore and transported offshore, where it is secured with pre-installed mooring systems. Operations and maintenance maximise long-term efficiency through remote monitoring, predictive maintenance, and occasional offshore interventions. Generated electricity is transmitted via subsea cables to onshore grids that require careful integration for a stable power supply.

At the end of their lifespan, floating wind farms are decommissioned, with components either recycled or repurposed to minimise environmental impact. Throughout the process, local supply chains and workforce involvement play a crucial role in fostering economic growth and supporting the clean energy transition.



Unlocking the CO_2 Value Chain

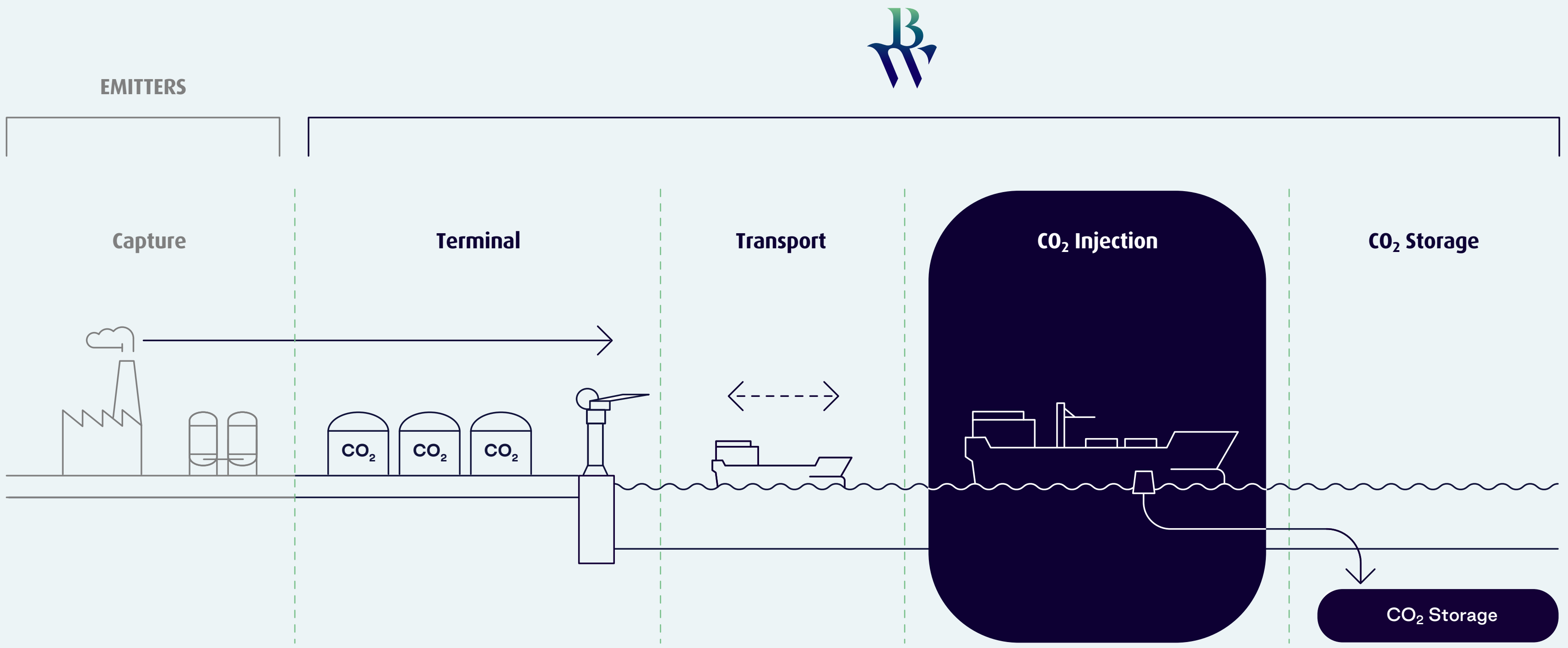
Our expertise in FPSO design, construction, and operations positions BW Offshore to support uses beyond oil and gas production. We can provide flexible, cost–effective alternatives to fixed injection infrastructure and contribute to the development of a successful CO_2 value chain.

The illustration depicts an example of how BW Offshore can add value in a CO_2 value chain.

Emerging Value Chains

In emerging sectors like hydrogen and ammonia production, value chains differ significantly. BW Offshore collaborates with networks and stakeholders to help shape commercially viable value chains that leverage our capabilities.

CO_2 VALUE CHAIN



STAKEHOLDER ENGAGEMENT

SBM-2 Interests and views of stakeholders

Stakeholder engagement is central to aligning BW Offshore's strategy, business model, and sustainability objectives. Stakeholder insights inform materiality assessments, we address concerns and adapt approaches, as needed. A description of stakeholder engagement within the double materiality assessment is provided in IRO-1 (page 41), while GOV-1 and 2 (page 32) describe how Senior Management, the Board, and its committees are informed about stakeholder views on material impacts.

Structured internal and external engagement captures stakeholder expectations on sustainability impacts, risks, and opportunities, which are analysed and integrated into our strategy.

We recently strengthened labour standards in our supply chain and expanded environmental monitoring in response to stakeholder feedback. Future initiatives include an annual stakeholder forum to raise awareness, promote dialogue, and align expectations.

KEY STAKEHOLDERS, ENGAGEMENT METHODS, OBJECTIVES, AND OUTCOMES

Key Stakeholders	Engagement Methods	Purpose of Engagement	Outcomes
Own Workforce	Quarterly information meetings, regular employee surveys, Work Environment Committees, Offshore Safety Committees, the Safety Observation Process	Enhance workplace culture and promote a safe, engaging, and meaningful workplace	Improved internal policies, enhanced health and safety metrics Inclusion of employees' perspectives when addressing material impacts, risks, and opportunities
Suppliers	Day-to-day communication, supplier audits, site visits, evaluations	Promote fair labour practices, address rights and concerns	Improved labour conditions, better alignment with suppliers
Customers	Day-to-day communication, audits, customer feedback channels	Refine product/service offerings to meet customer needs	Increased product relevance, enhanced customer satisfaction
Lenders, investors, analysts and other financial markets participants	Quarterly financial presentations, meetings, annual bank presentations, Environmental and Social Action Plan (ESAP) reviews, general communications	Inform prospective and existing stakeholders about our progress and plans and receive updates from stakeholders on their shareholders' interests	Meet the information needs of financial stakeholders and secure funding
Regulatory bodies	Continuous monitoring of updates from regulatory authorities	Adhere to regulatory requirements	Clear compliance pathways, updated governance practices

STRATEGY JOURNEY INITIATIVE

In 2024, BW Offshore initiated an internal 'Strategy Journey'. A cross-section of the organisation has been invited to participate in a bottom-up review of our strategy.

The overarching goal of the initiative is to create a more holistic understanding of BW Offshore's strategy, broaden discourse on strategic priorities, and for teams to document functions' that support delivering strategy objectives.

Team workshops, cross-functional discussion forums, and deliverables have propelled this initiative.

By year-end 2024, 23% of the organisation had participated in the Strategy Journey.

IDENTIFICATION AND ASSESSMENT OF IMPACTS, RISKS, AND OPPORTUNITIES

2024 Double Materiality Assessment

IRO–1 Description of the process to identify and assess material impacts, risks and opportunities (IROS)

Our process to identify, assess, and prioritise IROs is anchored in a structured, five–step framework aimed at robust, double materiality–based decision–making that aligns closely with our operational and strategic priorities. This approach integrates insights from internal subject matter experts and external stakeholders to anchor the results in relation to both regulatory compliance and practical relevance.

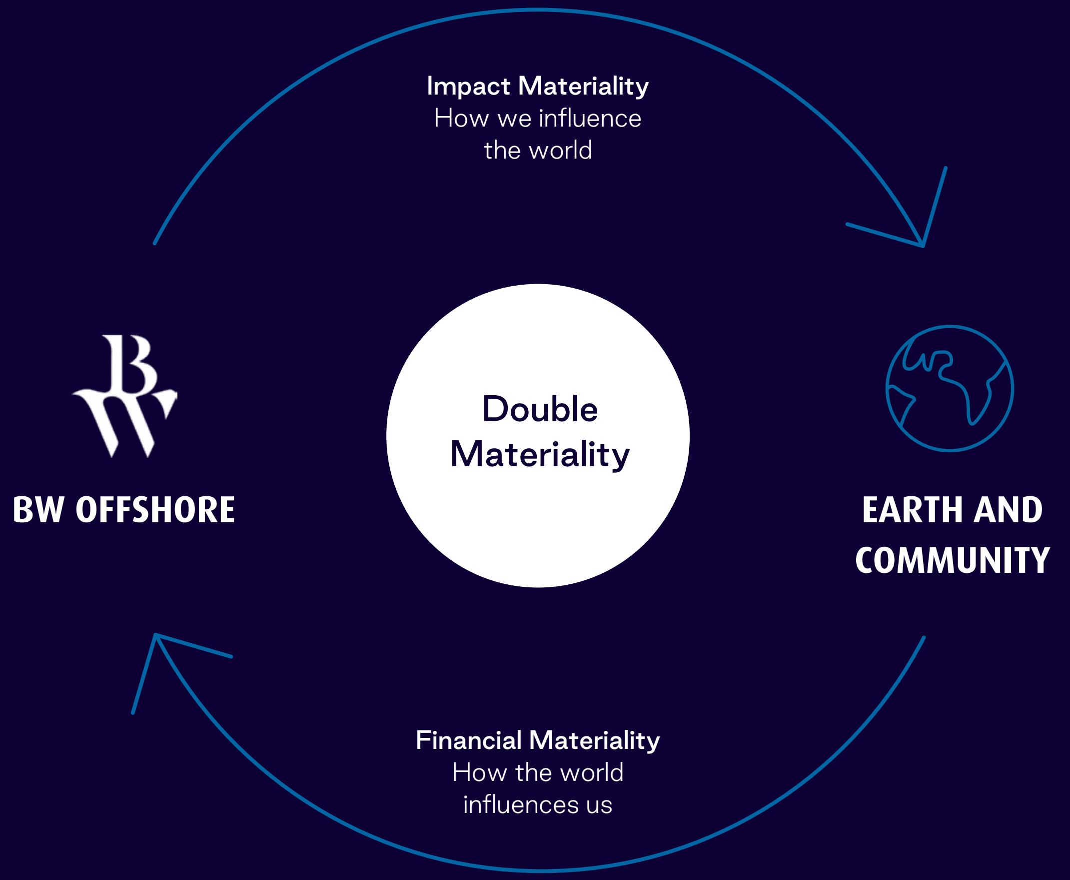
Methodology and Assumptions

In conducting our double materiality assessment (DMA), BW Offshore leveraged a purpose–built Digital Materiality Assessment Tool (the "DMA Tool"), designed to capture, assess, and document IROs across BW Offshore's business areas. This tool replaces the previous Excel–based approach used in prior years and delivers enhanced data accuracy, traceability, and auditability in line with audit requirements and stakeholder expectations.

The DMA Tool standardises scoring across two core criteria: impact materiality (externalities on society and the environment) and financial materiality (financial risks and opportunities directly affecting the business). Each IRO is scored using a framework to account for both quantitative and qualitative factors. Impacts on society and the environment are assessed based on scale, scope, and irremediability, with a fixed scoring scale from 1 to 5 for each parameter. The tool allows for the prioritisation of actual and potential impacts by calculating an average severity score. For high–severity impacts, thresholds are aligned to ESRS 1.

Financial risks and opportunities are evaluated by magnitude, likelihood, and nature of the financial effect. These metrics are mapped to on a 1–to–5 scale, with thresholds tailored to align with BW Offshore's enterprise risk management programme and industry–specific

DOUBLE MATERIALITY PRINCIPLE



challenges. This alignment enables the financial materiality of sustainability-related risks to be evaluated in the context of our holistic risk landscape. Thresholds reflect industry benchmarks and regulatory standards, ensuring materiality decisions are both rigorous and relevant. ESRS-aligned time horizons, categorised as short (less than 1 year), medium (1–5 years), and long term (more than 5 years), are applied uniformly across IROs, allowing BW Offshore to consider evolving impacts and financial effects of each IRO within the context of our business and operating environment.

Overview of the Process

The 2024 revalidation commenced with a review of the 2023 assessment. Existing IROs were mapped, and newly emergent factors were identified. Each sustainability matter was assessed for continued relevance to BW Offshore's FPSO and floating offshore wind businesses. This review informed the subsequent engagement stages and involved semi-structured interviews with internal and external stakeholders. BW Offshore Senior Management validated the results and refined the materiality assessment of IROs.

The process prioritised sustainability matters most likely to present heightened risks of adverse impacts, especially within geographies and business relationships critical to BW Offshore's operations and supply chain. This assessment was informed by insights from the 2023 DMA, during which external stakeholder engagement played a key role in verifying impact materiality hypotheses.

BW Offshore considered both the direct impacts of our FPSOs and offshore wind activities, and consequences that may arise from our business activities and relationships, including supplier and client networks. This approach extended the scope of the DMA and required a nuanced analysis of impact dependencies across the value chain. Insights from the 2024 revalidation were further refined through interviews with internal stakeholders representing key areas of environmental management, cybersecurity, safety, and governance.

Negative impacts were prioritised based on severity and likelihood, while positive impacts were assessed by their scale and potential for meaningful contribution. Materiality thresholds were applied per ESRS 1 section 3.4, with particular attention to high-severity issues in human rights and environmental contexts.

Stakeholder Considerations

The 2024 revalidation builds on the 2023 DMA, which incorporated direct consultation with affected stakeholders.

In the 2023 assessment, BW Offshore engaged nine external stakeholders, including clients, vendors, financial institutions, and employee representatives, to verify and refine IROs. Five affected stakeholders and four users of sustainability statements were interviewed to provide broad and representative input into the materiality assessment.

The 2024 revalidation leveraged 2023 results and integrated updated perspectives from internal and external stakeholders to refine the assessment.

Financial Risks and Opportunities

Our assessment of financial risks and opportunities emphasises interconnections between operational impacts and possible financial effects. Recognising that impacts in areas such as environmental stewardship can give rise to substantial financial risks or, conversely, present opportunities, we have designed our DMA process to identify and quantify these linkages. The direct and indirect dependencies between impacts and potential financial risks and opportunities were considered to account for both the immediate and cascading consequences that can stem from the business's impact on sustainability matters.

Each identified risk and opportunity has undergone a systematic assessment for both financial magnitude and likelihood. A scoring scale from 1 to 5 was used to drive prioritisation and distinguish risks that have significant financial effects from those with more moderate anticipated outcomes. This approach helps pinpoint high-consequence scenarios within BW Offshore's unique operational and geographical footprint, enabling us to focus on industry-specific risks, such as those posed by evolving offshore regulations or technological advancements.

BW Offshore focuses on sustainability-related risks with the most significant financial consequences, and have used the DMA Tool to identify and rank gross risks. Sustainability matters that are clearly material or clearly immaterial, based on predefined criteria, have not undergone further detailed assessment. Instead, additional reviews concentrated on topics where materiality is considered less certain, to avoid key risks from being overlooked. Senior Management has validated financial materiality, prioritised decisions within BW Offshore's risk matrix, and integrated sustainability risks within our risk management framework.

Decision-making Process and Internal Control Procedures

The decision–making process in the DMA revalidation includes three key stages: identification, scoring, and final validation.

Internal controls included engagement with subject matter experts and stakeholder representatives, enabling a process to verify that relevant sustainability matters were assessed for material IROs. Scoring of IROs followed documented guidelines and was reviewed in workshops to address instances of borderline materiality. Senior Management validated the results for consistency with our risk management programme.

BW Offshore integrates IRO insights into our risk management programme. While the DMA remains a distinct process, our findings inform Senior Management risk prioritisation discussions, reinforcing a holistic view of our risk landscape. This approach, incorporating regular updates to the Corporate Risk Register, enables Senior Management to evaluate IROs within the context of our broader risk profile and strategic direction and supports a mature and integrated approach to risk management.

Opportunities are managed and assessed within the broader context of our corporate strategy to align with operational goals and long–term value creation. Identified opportunities are reviewed for their potential impact on organisational resilience and growth. Each opportunity is incorporated into BW Offshore's processes, as appropriate.

Through this integrated approach, BW Offshore aims to maximise value by carefully prioritising opportunities that align with our objectives and support sustainable performance and strategic positioning.

1	2	3	4	5
Review Previous Assessment	**Stakeholder Engagement**	**Materiality (re)Assessment**	**Validation and Documentation**	**AC Review and Finalise DMA**
Review 2023 DMA, develop new hypotheses and identify new topics for discussion. Review of KPMG Gap Analysis.	Engage with stakeholders, including internal subject matter experts, BW Ideol and external parties. Further develop topic descriptions and scoring rationale based on Gap Analysis findings.	Reassess the materiality of each topic based on stakeholder feedback, and evaluate new topics. Update scoring and documentation as applicable.	Present and discuss preliminary results with SMT. Adjust results based on SMT input for formal validation. Update materiality matrix with each material topic.	Assessment of financial Audit Committee review of DMA results and identified material IROs. Develop final Assessment Report for Auditor.

GO BACK

Input Parameters and Process Evolution

Our 2024 DMA revalidation leverages a combination of internal documents, prior DMA results, and insights from updated financial and operational assessments. Key data sources include the 2023 Annual Report and Sustainability Statement, internal risk management documents, and updated environmental, social, and governance metrics. The methodology and materiality thresholds were consistent with the 2023 process, or adjusted for subsidiary-specific factors, like BW Ideol.

IDENTIFICATION OF IMPACTS, RISKS, AND OPPORTUNITIES ACROSS TOPICAL AREAS

Climate Change

BW Offshore integrates climate scenario analysis into our risk assessment framework to evaluate physical risks, transition risks, and opportunities over the short-, medium-, and long-term.

Different external scenarios are used to illustrate the effects of alternative pathways for climate change and the energy transition.

The IEA Net Zero scenario is used to assess the impact on BW Offshore from alignment with the Paris Agreement.

DNV's Energy Transition Outlook and the NGFS Orderly scenarios are used as base case scenarios, representing “the most likely way forward”.

Conversely, a high global warming scenario is assessed using the IEA STEPS scenario (for transition risks and opportunities) and the NGFS RCP 8.5 and IPCC AR6 scenarios (for physical climate risks).

Physical risks are identified using high-emission climate scenarios (e.g., NGFS RCP 8.5, IPCC AR6) to assess exposure to acute (e.g., cyclones, heatwaves, coastal flooding) and chronic (e.g., rising sea levels, ocean acidification, temperature variability) climate hazards across FPSO operations and construction yards.

Transition risks are assessed through Paris-aligned scenarios to evaluate potential exposure to policy shifts, market fluctuations, technology disruptions, and reputational concerns affecting business operations.

Under IEA STEPS, FPSO demand remains relatively stable, whereas IEA Net Zero suggests a gradual transition away from fossil fuel infrastructure, with increased reliance on carbon capture (CCS), floating wind, and FPSO electrification. Scenario analysis informs BW Offshore’s financial planning by assessing the financial implications of climate transition pathways, such as the impact on EBITDA under different energy mix projections.

BW Offshore also identifies assets that require adaptation to maintain long-term resilience, including investments in low-emission solutions, FPSO electrification, and offshore wind power to align with a climate-neutral economy.

SCENARIO OVERVIEW

Approach	Scenario(s) Used	Physical Risks	Transition Risks	Transition Opportunities
Alignment with Paris Agreement	IEA Net Zero	Low	High	High
Base Case Scenario	DNV ETO, NGFS Orderly	Medium	Medium	Medium
High Global Warming	IEA STEPS	N/A	Low	Low
	NGFS RCP 8.5, IPCAR6	High	N/A	N/A

CLIMATE-RELATED PHYSICAL RISKS BASED ON SCENARIO ANALYSIS

Hazard	Category	Potential Effect on BW Offshore	Scenario Applied
Heat stress	Chronic	Increased cooling requirements, FPSO structural stress.	NGFS RCP 8.5, IPCC AR6
Sea level rise	Chronic	Higher risk of coastal erosion and flooding at shipyards.	NGFS RCP 8.5, NASA Sea Level Change
Cyclones & hurricanes	Acute	Structural damage risks, potential FPSO downtime.	NGFS RCP 8.5
Heavy precipitation & flooding	Acute	Equipment failure, logistics disruptions in offshore supply.	NGFS RCP 8.5
Ocean acidification	Chronic	Long-term regulatory risks due to marine ecosystem impacts.	NGFS RCP 8.5

TRANSITION-RELATED RISKS AND OPPORTUNITIES BASED ON SCENARIO ANALYSIS

Transition Risk/Opportunity	Category	Potential Business Consequence	Scenario Applied
Carbon pricing & regulation	Policy Risk	Higher compliance costs for FPSO emissions.	IEA NZ, NGFS Orderly
Shift in energy demand	Market Risk	Declining demand for high-emission FPSOs.	IEA NZ, IEA STEPS
Expansion in CCS & floating wind	Opportunity	Increased investment in offshore renewables.	IEA NZ, DNV ETO
Reputational risks	Reputation Risk	Stricter ESG expectations from investors.	IEA NZ, NGFS Orderly
Electrification of FPSOs	Opportunity	Business expansion in power-to-platform solutions.	IEA STEPS, DNV ETO

Pollution

The 2024 DMA includes an evaluation of pollution-related impacts, risks, and opportunities across our FPSOs, construction yards, and broader value chain. The process included utilisation of environmental data and operational performance metrics to assess actual and potential impacts from effluent discharges, hydrocarbon spills, and non-GHG emissions. Screening methodologies incorporated regulatory compliance frameworks and international standards, including ISO 14001, to prioritise material pollution risks. No consultations with affected stakeholders were conducted as part of this process.

Operating in the O&G sector, actual and potential pollution is an inherent consequence of BW Offshore's activities, and we recognise the environmental and societal impacts associated with pollution across our value chain.

Water and Marine Resources

We conducted a high-level screening of our operations and value chain to identify water- and marine-related impacts, risks, and opportunities as part of our double materiality assessment. The screening focused on produced water discharges, and the potential for marine pollution during FPSO operations and decommissioning activities. This evaluation relied on water quality monitoring systems that comply with global standards, such as the World Bank's 30 ppm limit for produced water discharge and MARPOL's 15 ppm for slop water.

The assessment confirms that while discharge of effluent water is a well-regulated process in the FPSO industry, planned effluent discharges – particularly produced water – constitute an actual impact on the environment and should thus be considered material. No consultations with affected communities or stakeholders were undertaken as part of this assessment.

Biodiversity and Ecosystems

The 2024 DMA includes an evaluation of biodiversity-related impacts, dependencies, and risks associated with FPSO operations and construction yards across operational sites, upstream, and downstream activities. The assessment considered actual and potential impacts on biodiversity and ecosystems, such as habitat disruption from operational discharges and risks of invasive species during FPSO operations.

Dependencies were also evaluated, particularly regarding ecosystem services that support marine environments. Systemic risks, including cumulative impacts from marine industry activities on regional ecosystems, were also considered.

The assessment revealed that no sites are located within or near biodiversity-sensitive areas or protected habitats. Consequently, no biodiversity mitigation measures, such as those aligned with international standards like IFC Performance Standard 6 or EU Directives, were deemed necessary.

Consultations with affected communities on potential impacts to shared biological resources and ecosystems were not conducted, and no affected stakeholder input was integrated into the assessment. Nevertheless, we recognise the importance of proactively minimising biodiversity impacts through operational controls and compliance with existing environmental management frameworks.

Resource Use and Circular Economy

The 2024 DMA includes a review of resource use and circular economy considerations within our operations and value chain. This process identified material issues related to the recycling and reuse of steel during decommissioning and waste management practices onboard FPSOs.

Assessment methodologies included material flow analysis and benchmarking against industry standards. Affected stakeholder consultations were not conducted, and no additional tools or assumptions were applied to assess these impacts.

Governance & Business Conduct

BW Offshore conducts risk-based due diligence to identify and assess material impacts, risks, and opportunities related to business conduct across our operations and value chain. Read more about due diligence on page 111.

The process considers criteria such as geographical location, activity type, sector, business partner governance maturity, government affiliations, and reputation.

Material impacts, risks and opportunities (IROs)

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

BW Offshore's materiality assessment has identified key environmental, social, and governance topics that present significant impacts, risks, and opportunities (IROs) across our operations and value chain.

The table on page 48 categorises these IROs by ESRS standards and specifies their location — upstream, own operations, or downstream — and relevance over short (less than 1 year), medium (1–5 years), and long-term (more than 5 years) horizons. Further insights into each IRO are provided in relevant chapters.

BW Offshore's strategy demonstrates resilience in the management of our material impacts, risks, and opportunities through robust governance frameworks, preventive controls, and stakeholder engagement. Periodic scenario analysis, internal risk assessments, and alignment with international standards, like ISO 14001 and ISO 45001, reinforce our approach. The resilience analysis incorporates short-, medium-, and long-term horizons; qualitative assessments confirm the adaptability of operational procedures and investment strategies to mitigate identified IROs.

There are no applicable significant changes to material impacts, risks, or opportunities from prior reporting periods. All material impacts, risks, and opportunities disclosed in this statement are aligned with ESRS Disclosure Requirements. No additional entity-specific disclosures are included.

RISK, OPPORTUNITY, AND CLIMATE RESILIENCE

The current financial effects of BW Offshore's material risks and opportunities are associated with operational adaptations and compliance obligations. Preventive and mitigative controls for these risks involve ongoing costs, including asset integrity monitoring, training programmes, and expenditures related to environmental and social due diligence measures.

BW Offshore's material climate-related risks include transition risks affecting access to capital and physical risks from chronic hazards.

Transition risk potentially arises as global capital allocation shifts towards renewables, which increases financing costs and limits investment in offshore production facilities.

Transition risk inevitably affects BW Offshore's business model, which relies on owning, leasing, and operating offshore O&G assets. Physical climate risks, particularly extreme heat, affect construction yards in Southeast Asia and operational assets in regions such as Australia, where rising temperatures could disrupt work schedules and require adaptive measures.

Climate changes also create increased risk of severe and/or more frequent storms in the turbulent waters of the Gulf of Mexico and North Sea.

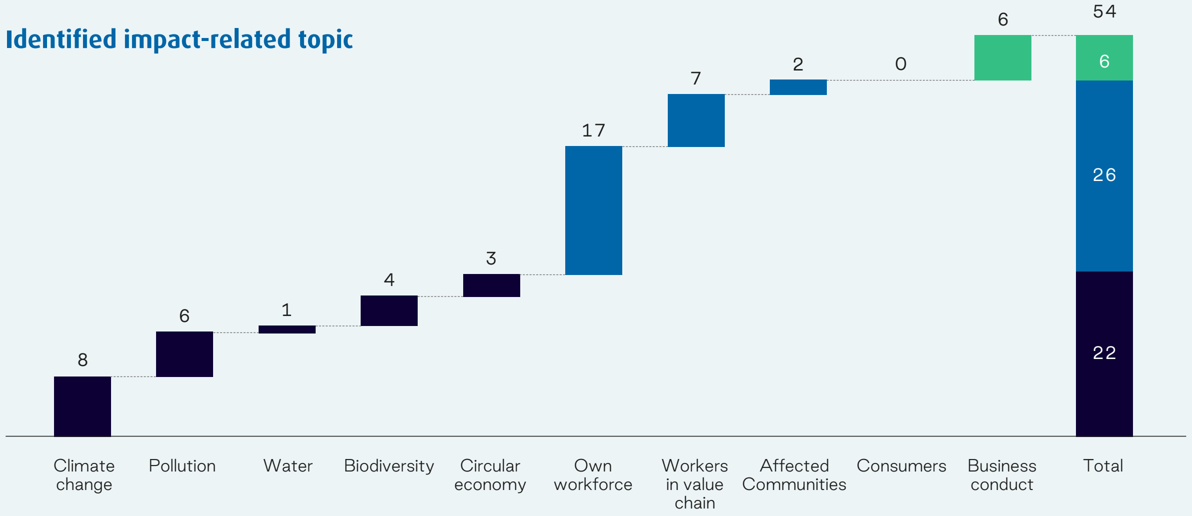
BW Offshore assesses the resilience of our strategy and business model through scenario analysis with leveraging external frameworks, such as the IEA Net Zero, IEA STEPS, and DNV Energy Transition Outlook. Our analyses evaluate financial and operational risks under varying climate pathways and assess implications for asset lifespans, capital costs, and long-term sustainability.

While BW Offshore's business remains viable across multiple transition scenarios, proactive adjustments—such as diversifying into lower-carbon energy production and adapting FPSO designs for enhanced efficiency—will be crucial for maintaining competitiveness and securing financing. The scenario analysis (described on page 43) supports strategic decisions and informs capital allocation and investment planning to balance risk exposure with emerging opportunities in the evolving energy landscape.

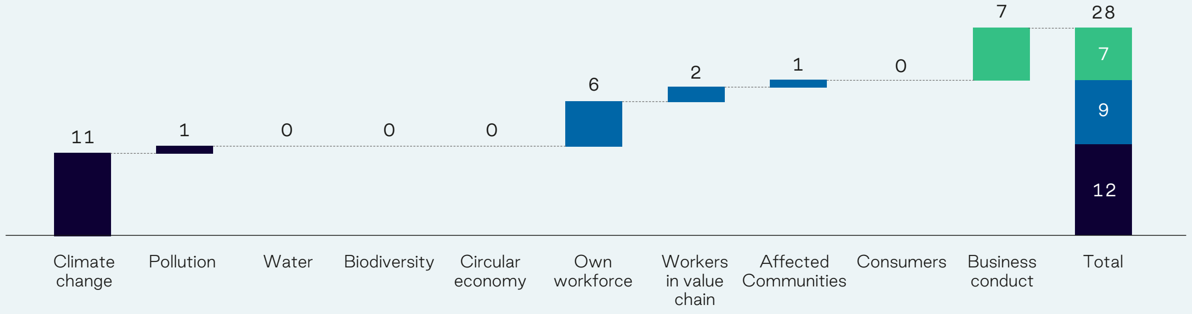
TOPICS IDENTIFIED / DISCUSSED (TOTAL)

■ Environmental ■ Social ■ Governance

Identified impact-related topic

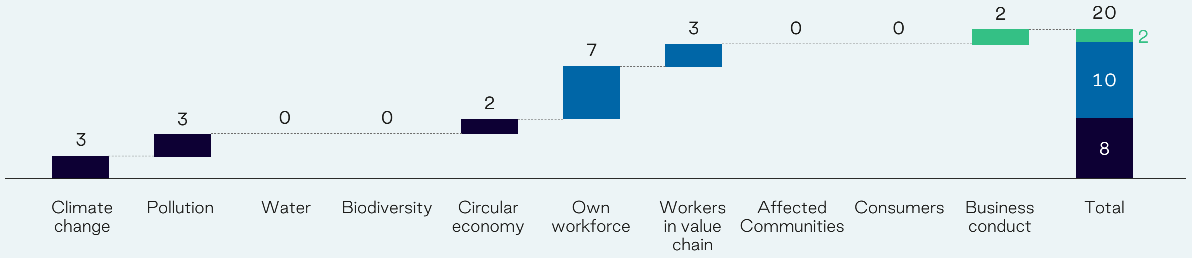


Identified financial risks and opportunities

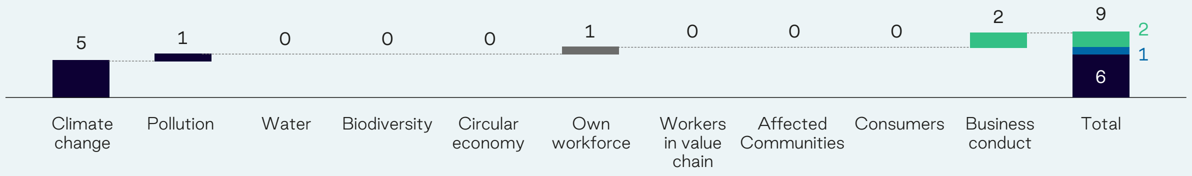


MATERIAL TOPICS

Material impact-related topic



Material financial risks and opportunities



OVERVIEW OF BW OFFSHORE'S MATERIAL SUSTAINABILITY MATTERS

Environmental

Topic	Sustainability Matters and related IROs	I/R/O	Actual/ Potential
Climate change	**Climate change adaptation**		
	Chronic hazards	Risk	Potential
	Climate change mitigation		
	Scope 1+2 emissions	Impact	Actual
	Scope 3 emissions	Impact	Actual
	Release of HFCs	Impact	Actual
	Access to capital	Risk	Potential
	Electrification of O&G installations	Opportunity	Potential
	New business opportunities within low emission energy production	Opportunity	Potential
	Energy		
	Clean energy production through Windfarms	Opportunity	Potential
Pollution	**Pollution of air**		
	Non-GHG emissions	Impact	Actual
	Pollution of water		
	Planned discharge of effluent streams	Impact	Actual
	Major hydrocarbon spills to the environment	Impact / Risk	Potential
Resource use and circular economy	**Resource outflows related to products and services**		
	Recycled and reused steel material from FPSOs	Impact	Potential
	Waste		
	Waste handling	Impact	Actual

Social

Topic	Sustainability Matters and related IROs	I/R/O	Actual/ Potential
Own workforce	**Working conditions of own workers**		
	Redundancy	Impact	Potential
	Mental health, well-being and work-life balance	Impact	Potential
	Health and safety of own workers		
	Work-related accidents	Impact / Risk	Potential
	Security of own workforce offshore	Impact	Potential
	Equal treatment and opportunities of own workers		
	Unconscious bias and unequal treatment	Impact	Potential
	Professional Development	Impact (positive)	Potential
	Gender pay gaps	Impact	Actual
Workers in the value chain	**Working conditions of supply chain workers**		
	Decent working conditions in BWO's supply chain	Impact	Potential
	Equal treatment and opportunities of all supply chain workers		
	Harassment and assault	Impact	Potential
	Other work-related rights		
	Forced labour in BWO's supply chain	Impact	Potential

Governance

Topic	Sustainability Matters and related IROs	I/R/O	Actual/ Potential
Business conduct	**Corporate Culture**		
	Unwanted negative patterns of conduct	Risk	Potential
	Protection of whistleblowers		
	Insufficient protection of individuals utilising speak-up mechanisms	Impact	Potential
	Corruption and bribery		
	Negative impact on societies due to acts of bribery and corruption	Impact / Risk	Potential

Environment

EU Taxonomy report

The EU Taxonomy Regulation is a framework that defines which economic activities are environmentally sustainable and sets criteria for measuring and reporting their performance. The regulation aims to support the transition to a low–carbon, circular, and resilient economy and provide transparent and comparable information for investors and stakeholders.

BW Offshore is required to report the following under the Regulation:

- The proportions of total net sales that are taxonomy–eligible, non–eligible and taxonomy–aligned, and
- The proportions of capital expenditures (capex) and/or operating expenses (opex) that are taxonomy–eligible, non–eligible and taxonomy–aligned.
- Contextual information related to the KPIs above

To qualify as environmentally sustainable, the following three overarching conditions must be met.

- The activity must make a substantial contribution to at least one environmental objective put forward by the EU
- The activity must do no significant harm to any of the other five environmental objectives
- The company must comply with a set of Minimum Safeguards

BW Offshore has conducted an analysis of our products and activities and reviewed them against the economic activities defined by the Taxonomy in the countries in which we operate. We involved the expertise of our Sustainability team, the wider Strategic Development department, Finance, Cost control, HSEQ department and Project managers across our organisation and solicited advice from external consultants. Through this procedure, relevant Taxonomy–eligible and potential aligned activities were identified. To identify the relevant activities, we referred to the descriptions of

the activities, the relevant Nomenclature of Economic Activities (NACE) codes and, if necessary, the substantial contribution criteria, thereby assessing whether an economic business activity carried out by BW Offshore matches an activity description.

The EU Taxonomy report is prepared on a consolidated basis, covering the same entities included in BW Offshore's consolidated financial statements, in accordance with IFRS.

ACTIVITIES CONSIDERED ELIGIBLE

The vast majority of BW Offshore's core activities are not in the scope of the EU Taxonomy Regulation. The business activities under New Ventures and Technology and Floating Wind are supporting BW Offshore's strategic goal to build a substantial and growing position in offshore renewable energy infrastructure while leveraging our offshore capabilities. Low-carbon energy production concepts are being developed in support of this strategic goal. The business activities related to these concepts have been further assessed for eligibility and alignment under the EU Taxonomy Regulation.

For 2024, BW Offshore deems the taxonomy eligible turnover to be 0.74 per cent, eligible CAPEX 3.56 per cent and eligible OPEX 13.06%

BW Offshore submitted an EU Taxonomy report for 2023 on a voluntary basis. During 2024 further analysis led to the conclusion that certain activities were not covered in last year's report. These have been included for 2024. In addition, the assessment of alignment has also been revisited, and the outcome was that no activities are deemed to meet alignment criteria in 2024.

Disclaimer: The criteria are current interpretations/best effort of the rules and can change based on market practice development and general knowledge of the EU Taxonomy enhances.

CCM 9.1 Close to market research, development and innovation:

BW Ideol conducts research and development activities within solutions for floating wind energy production. The solution allows for the deployment of wind turbines in areas with better and more stable wind conditions despite greater water depths, where bottom fixed wind turbines are not as suitable. The target activity (offshore wind energy production) has been demonstrated to at least Technology Readiness Level (TRL) 6. This activity is partially financed by public funding and the costs related to these research projects are capitalized.

In 2023, our floating ammonia concept was included in the taxonomy report as an eligible activity. However, analysis has established that the target activity had not been demonstrated to at least TRL 6. Therefore, the ammonia concept done under this concept is not included as an eligible activity in this year's EU Taxonomy report.

BW Offshore conducts research and development activities within floating CO_2 temporary storage and injection solutions. The aim of the research is to optimize the value chain and flexibility of transportation and storage of CO_2 and increase the accessibility and management of offshore storage reservoirs. The target activity for the development (Offshore storage of captured carbon) has been demonstrated to at least TRL 6.

CCM 4.3 Electricity generation from wind power:

BW Ideol develops and invests in projects which shall result in the installation of floating wind farms which will produce electricity from wind power. This includes engineering studies for both own as well as external client's floating offshore wind development projects. In addition, BW Ideol has commenced OPEX work to establish the required manufacturing line for the floating foundation.BW Ideol also own, operate and maintain an asset which produces electricity from wind power.

BW Offshore develops projects where floating wind turbines are deployed to electrify offshore assets. This includes engineering studies for both own as well as external client's electrification projects.

CCM 7.7 Acquisition and ownership of buildings

BW Offshore Group has buildings (owned/leased) in Singapore, Dubai, Australia, Norway, UK, US, Gabon and France. The associated lease cost for these office buildings (IFRS 16 Leases/ cost recognized as right-of-use over the asset) are covered by the reported capital expenditure.

CCM 6.5 Transport by motorbikes, passenger cars and light commercial vehicles:

BW Tinworth Gabon SA lease three cars in Gabon. All the vehicles are categorized as M1 under the EU Regulation 2018/ 858 of the European parliament and of the Council

– meaning they are smaller vehicles with no more than 9 seating positions. The associated lease cost for these vehicles is covered by the reported capital/operating expenditure.

ASSESSMENT OF ALIGNMENT

BW Offshore has assessed the identified eligible activities against the technical screening criteria in the EU taxonomy used to determine whether an activity makes a substantial contribution to the selected environmental metrics. The conclusion of the assessment is that none of the activities fulfill the necessary criteria.

As no activity meets all the technical screening criteria, no further assessment of activities towards Do No Significant Harm and the Minimum Safeguard criteria has been done. For information regarding BW Offshore's policies, processes and procedures relating to human rights, anti-corruption, fair competition and taxation, see the Sustainability Statement.

APPLIED ACCOUNTING PRINCIPLES

Turnover generating business activities of BW Offshore as of December 31, 2024, have been screened on EU Taxonomy eligibility. Turnover can be reconciled as per IFRS 15 'revenues from contract with customers' and IFRS 16 'leasing revenue' as disclosed in Note 3 of the consolidated financial statements in addition to subventions (included in other revenues).

BW Offshore generates revenue primarily from rendering of services on operating FPSOs and chartering of FPSOs to our customers, which cannot be considered eligible for the EU Taxonomy. The only eligible part of Turnover relates to CCM 4.3 as per description above.

CAPEX consists of additions to right of use assets, tangible and intangible assets during the financial year 2024 recognised by BW Offshore pursuant to IAS 16, IFRS16 and IAS 38. The denominator can be reconciled with the sum of the lines 'Additions' disclosed in Notes 10, 11 and 19 of the consolidated financial statements. The CAPEX is mainly related to investments in BW Opal for the Barossa project and is therefore non-eligible for the EU Taxonomy. The only eligible part of CAPEX relates to CCM 9.1 and CCM 7.7 as described above.

OPEX, according to the EU Taxonomy, is determined by the direct non-capitalised costs of research and development, building renovation measures, short-term leases, maintenance and repair and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment by the undertaking or third-party outsources that are necessary to ensure the continued and effective functioning of such assets. The OPEX is mainly related to maintenance and repair of FPSOs which are non-eligible for the EU Taxonomy in addition to R&D. The eligible part of OPEX relates to CCM 9.1, CCM 6.5 and CCM 4.3 as described above.

All Turnover, Capex and Opex can clearly be attributed to specific activities and there is no crossover between these activities, hence the likelihood of double counting is very limited.

PROPORTION OF TURNOVER FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES - DISCLOSURE COVERING YEAR 2024

Financial year 2024				Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)(h)									
Economic Activities (1)	Code (a) (2)	Turnover (3)	Proportion of Turnover, year 2024 (4)	Climate change mitigation (5)	Climate change adaption (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaption (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, year 2023 (18)	Category (enabling activity or) (19)	Category (transitional activity) (20)
		USD million	%	Y; N; N/EL; (b)(c)	Y; N; N/EL; (b)(c)	Y; N; N/EL; (b)(c)	Y; N; N/EL; (b)(c)	Y; N; N/EL; (b)(c)	Y; N; N/EL; (b)(c)	Y/N	Y/N	YN/	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY ELIGIBLE ACTIVITIES																			
A.1. Environmentally Sustainable activities (Taxonomy aligned)																			
Turnover of environmental sustainable activities (Taxonomy-aligned) (A.1)		–	0%														0.64%	E	
Of which enabling		–	0%														0.64%	E	
Of which transitional		–	0%														0%		
A.2 Taxonomy-Eligible but not environmental sustainable activities(not Taxonomy-aligned activities)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Close to market research, development and innovation	CCM 9.1	0.03	0.00%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Electricity generation from wind power	CCM 4.3	4.48	0.74%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		4.51	0.74%														0%		
A. Turnover of Taxonomy eligible activities (A.1+A.2)		4.51	0.74%														0.64%		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		601.84	99.26%																
Total		606.35	100.00%																

Note:
Y — Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N — No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
N/EL — Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective.

PROPORTION OF OPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES - DISCLOSURE COVERING YEAR 2024

Financial year 2024			Substantial contribution criteria							DNSH criteria (Does Not Significantly Harm)(h)									
Economic Activities (1)	Code (a) (2)	OpEx (3)	Proportion of OpEx, year 2024 (4)	Climate change mitigation (5)	Climate change adaption (6)	Water (7)	Pollution (8)	Cirular Economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaption (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, year 2023 (18)	Category (enabling activity or) (19)	Category (transitional activity) (20)
		USD million	%	Y; N; N/EL; (b)(c)	Y; N; N/EL; (b)(c)	Y; N; N/EL; (b)(c)	Y; N; N/EL; (b)(c)	Y; N; N/EL; (b)(c)	Y; N; N/EL; (b)(c)	Y/N	Y/N	YN/	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY ELIGIBLE ACTIVITIES																			
A.1 Environmental sustainable activities (Taxonomy-aligned)																			
OpEx of environmental sustainable activities (Taxonomy-aligned) (A.1)		–	0%														4.55%	E	
Of which enabling		–	0%														4.55%	E	
Of which transitional		–	0%														0%		
A.2 Taxonomy-Eligible but not environmental sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Close to market research, development and innovation	CCM 9.1	0.47	0.74%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	0.08	0.13%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Electricity generation from wind power	CCM 4.3	7.71	12.19%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		8.26	13.06%														0%		
A. OpEx of Taxonomy eligible activities (A.1+A.2)		8.26	13.06%														4.55%		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		54.98	86.94%																
Total		63.24	100.00%																

Note:
Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
N/EL – Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective.

PROPORTION OF CAPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES - DISCLOSURE COVERING YEAR 2024

Financial year 2024				Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)(h)										
Economic Activities (1)	Code (a) (2)	CapEx (3)	Proportion of CapEx, year 2024 (4)	Climate change mitigation (5)	Climate change adaption (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaption (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year 2023 (18)	Category (enabling activity or) (19)	Category (transitional activity) (20)
		USD million	%	Y; N; N/EL; (b)(c)	Y; N; N/EL; (b)(c)	Y; N; N/EL; (b)(c)	Y; N; N/EL; (b)(c)	Y; N; N/EL; (b)(c)	Y; N; N/EL; (b)(c)	Y/N	Y/N	YN/	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY ELIGIBLE ACTIVITIES																			
A.1 Environmental sustainable activities (Taxonomy-aligned)																			
CapEx of environmental sustainable activities (Taxonomy-aligned) (A.1)		–	0%														1.21%	E	
Of which enabling		–	0%														1.21%	E	
Of which transitional		–	0%														0%		
A.2 Taxonomy-Eligible but not environmental sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Close to market research, development and innovation	CCM 9.1	2.50	0.51%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Acquisition and ownership of buildings	CCM 7.7	15.14	3.05%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		17.64	3.56%														0%		
A. CapEx of Taxonomy eligible activities (A.1+A.2)		17.64	3.56%														1.21%		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		478.16	96.44%																
Total		495.80	100.00%																

Note:
Y — Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N — No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
N/EL — Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective.

ANNEX XII

Row	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

ESRS E1

Climate Change

BW Offshore acknowledges climate-related impacts, risks, and opportunities that may emerge in the short-, medium-, and long-term. These considerations affect our ability to deliver stable and affordable energy, influence climate change on the global energy mix, and impact our own contribution to greenhouse gas (GHG) emissions.

BW Offshore's material climate-related impacts, risks, and opportunities (IROs) are detailed throughout this chapter.

Material impacts, risks and opportunities

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Sub-topics/Sub-sub-topics	Material impact, risk, or opportunity	Category	US	OO	DS	Short term	Medium term	Long term
Climate change adaptation	Chronic hazards	Financial risk		x				x
Climate change mitigation	Scope 1+2 emissions	Negative actual impact		x		x	x	x
	Scope 3 emissions	Negative actual impact	x		x	x	x	x
	Release of HFCs to the atmosphere	Negative actual impact		x		x	x	x
	Access to capital	Financial risk		x		x	x	x
	Electrification of O&G installations	Financial opportunity		x		x	x	x
	New business opportunities within low emission energy production	Financial opportunity		x			x	x
Energy	Clean energy production through wind farms	Financial opportunity		x				x

Note to table:
Upstream (US): Includes activities related to the initial stages of the value chain, such as suppliers providing products or services used in the development of the undertaking's products or services.
Own Operations (OO): Refers to activities within the reporting company, including its use of human resources and other internal processes.
Downstream (DS): Encompasses entities that receive products or services from the undertaking, such as distributors and customers

CHRONIC HAZARDS – FINANCIAL RISK

Context

BW Offshore's business activities are impacted by physical risks associated with chronic hazards, particularly extreme heat, is concentrated in BW Offshore's own operations and especially during yard construction activities in Southeast Asia, including Singapore, where workers spend extended periods outdoors. Operating assets in regions such as Australia, where extreme heat events are projected to increase in frequency and intensity, may also suffer effects of climate change.

Climate changemay also increase the number and severity of extreme weather events, e.g., hurricanes, in operating locations such as the Gulf of Mexico and the North Sea. BW Offshore has not initiated any specific actions related to this risk.

SCOPE 1 AND 2 EMISSIONS – ACTUAL NEGATIVE IMPACT

Context

BW Offshore's Scope 1 emissions result in an actual negative impact from combustion processes on offshore assets under our direct control (when not operating under service agreements) and from directly contracted third-party vessels' emissions. Scope 2 emissions are generated from purchased electricity to power our office's locations. BW Offshore is directly responsible for these emissions through our activities and through our energy sourcing. These emissions are concentrated within BW Offshore's own activities and are directly linked to our strategy and business model, which involves offshore production activities requiring energy-intensive processes.

Stakeholders and consequences

BW Offshore's Scope 1 emissions, from fuel combustion for power generation and flaring, release CO_2, CH_4, and N_2O that increase atmospheric concentrations. These GHG emissions contribute to temperature rise, and ecosystem heat stress. Over the medium to long term, they exacerbate global warming, which may lead to widespread ecological disruption, loss of biodiversity, and pressure on food and water security.

Actions

The current and anticipated effects of Scope 1 and 2 emissions on BW Offshore's business model include increasing regulatory pressures, heightened stakeholder scrutiny, and potential reputational risks. To respond, BW Offshore is identifying areas for emissions reductions, such as transitioning to renewable energy sources for onshore offices and optimising fuel efficiency for offshore assets. We do not currently have emissions reduction targets, but ongoing assessments aim to identify practical mitigation pathways.

SCOPE 3 EMISSIONS – ACTUAL NEGATIVE IMPACT

Context

BW Offshore's Scope 3 emissions are an actual impact in our upstream and downstream value chains, with sources including emissions from steel production for FPSO construction and maintenance, air transportation for employee travel, and emissions generated during offshore operations under services agreements. The business model's reliance on energy-intensive steel and offshore hydrocarbon processing directly links these emissions to our operational strategy. BW Offshore is indirectly involved in this impact through our relationships with supply chain partners, shipyards, contractors engaged in construction and operational activities, and the clients who contract FPSOs for production operations.

Stakeholders and consequences

Scope 3 emissions, particularly from maintenance, air transportation, and operational hydrocarbon processing, contribute to global climate change. These emissions exacerbate the effects of climate change, e.g., rising sea levels, increased frequency and severity of extreme weather events, and disruptions to ecosystems and biodiversity. Over the short term, these emissions perpetuate incremental climate-related impacts, while medium- and long-term effects include irreversible environmental damage, such as ocean acidification, habitat loss, and increased societal vulnerability to climate-induced crises.

Actions

The impacts of Scope 3 emissions require strategic adjustments to mitigate. Current efforts include phasing out routine flaring, applying Best Available Techniques (BAT) for energy efficiency during asset upgrades, and using AI-driven analytics to monitor and reduce emissions.

Additional measures under consideration include the adoption of lower-carbon materials in construction, integrating lifecycle emissions data into procurement decisions, and expanding the scope of emissions quantification to include currently excluded categories, such as project activity emissions.

RELEASE OF HYDROFLUOROCARBONS (HFCS) – ACTUAL NEGATIVE IMPACT

Context

The release of hydrofluorocarbons (HFCs) from own operations is considered in actual impact originating within our FPSO operations activities, specifically in the maintenance and operation of closed gas systems such as heating, ventilation, and air conditioning (HVAC) units, refrigeration systems, and fire suppression systems.

These systems are installed on all FPSOs, which geographically disperses impact. BW Offshore's essential onboard systems produce HFCs, and we are thus indirectly responsible for these emissions through our customers.

Stakeholders and consequences

Hydrofluorocarbon (HFC) emissions contribute disproportionately to climate change due to their global warming potential (GWP), which can be over 100 times greater than that of carbon dioxide.

BW Offshore's current operations rely on HFC-based systems, and therefore have immediate effect on the environment.

In the medium term, transition to low-GWP alternatives, regulatory requirements, and technological advancements are expected to reduce emissions.

Over the long term, non-HFC refrigerants could significantly reduce, but may not eliminate, emissions until cost-effective solutions are available.

Action

HFC emissions currently pose a challenge due to their high GWP, which intensifies our overall emissions profile and exposes us to increased regulatory and reputational risks. Regulations restricting the use of certain HFCs in key jurisdictions, effective from 2024, necessitate a gradual transition to alternatives.

To address HFC emissions, BW Offshore's preventive maintenance routines minimise leakage in closed gas systems, and we are exploring environmentally friendly refrigerants and technologies to replace HFCs where practicable.

Future efforts will focus on fleet-wide adoption of regulatory requirements and reducing dependency on HFCs through sourcing suitable lower-GWP alternatives.

ACCESS TO CAPITAL – FINANCIAL RISK

Context

The transition risk associated with access to capital affects our entire business model, which depends on owning, leasing, and operating offshore production facilities. Capital risk arises from a global shift in capital allocation away from traditional O&G investments, which is a result of evolving regulatory, societal, and investor expectations.

Action

Capital risk has current and anticipated effects on BW Offshore's business model, strategy, and decision-making. The immediate effect is increased attention from capital providers, who are seeking greater alignment with climate targets.

Over the medium- to long-term, BW Offshore may face increased cost of capital, reduced access to funding, and potential challenges in financing investments in new opportunities. These pressures could necessitate a reassessment of the lease-and-operate model, particularly if demand for offshore production assets declines with the acceleration of energy transition.

In response, BW Offshore is exploring strategic adaptations, including integrating sustainability considerations into financial planning and potential diversification pathways.

BW Offshore is also assessing opportunities to integrate renewable technologies—including carbon capture and storage (CCS), electrification from floating offshore wind, and other innovative solutions—into existing production solutions. This strategic expansion not only enhances sustainability and supports the energy transition but also positions BW Offshore to attract a broader range of investors and improves access to capital by aligning with the growing emphasis on ESG-focused investments.

LOW-EMISSION ENERGY PRODUCTION – FINANCIAL OPPORTUNITY

Context

This material opportunity is concentrated within BW Offshore's own operations and spans our entire business model, including both existing assets and new developments. We are positioned to capitalise on increased demand for private sector emissions abatement solutions by offering low-emission production technologies that can be integrated into FPSOoperations.

By integrating floating wind into our own operations in the long term, BW Offshore aims to establish a track record in offshore electrification that can serve as a foundation for larger projects. Our expertise in offshore project delivery and operations provides a strategic advantage in scaling these efforts, supporting our broader role in the energy transition.

Additionally, we are exploring strategic partnerships with clean energy technology firms to enhance our capacity to deliver innovative CCS solutions. This opportunity is consistent with BW Offshore's ongoing engagement with technology providers and industry leaders in cluster carbon capture usage and storage (CCUS) concepts and is supported by the BW Group's involvement in CO_2 vessel transport.

Action

Integration of CCUS technologies and low emission solutions into FPSO operations positions us to meet evolving client expectations and regulatory requirements while developing new business opportunities.

BW Offshore has responded to these opportunities by conducting studies on CCUS solutions, mapping carbon capture pathways, and collaborating with technology providers. Planned actions include the continued evaluation of fleet-wide CCUS integration and participation in tenders that prioritise emissions reduction capabilities.

To respond to opportunities related to offshore floating wind BW Offshore is developing a floating wind power-to-platform solutions through our joint venture, Fram Wind Solution (FWS). In 2024, FWS was invited by OKEA to participate in a feasibility study and pre-FEED assessment for the electrification of the Brage platform in the Norwegian Continental Shelf.

Additionally, FWS submitted applications to the Norwegian fund ENOVA in September 2024 to secure financial support for the Brage electrification project, with funding decisions expected in early 2025. These initiatives align with BW Offshore's strategy to position BW Ideol's damping pool technology in earlier–stage projects, de–risking its entry into floating wind while gaining operational experience ahead of full–scale offshore wind farm developments.

Unfortunately, the ENOVA grant announced in January 2025 was smaller than industry expectations and was not awarded to BW Offshore, as we placed second in the evaluation process, triggering a reevaluation of the commercial viability of the floating wind power–to–platform concept.

ELECTRIFICATION OF OIL AND GAS INSTALLATIONS – FINANCIAL OPPORTUNITY

Context

Electrifying O&G installations through a power–to–platform concept presents a significant opportunity to advance global energy transition goals and meet client demands for emissions reduction.

This approach involves supplying electricity to offshore platforms and assets using floating wind turbines, gas–to–power solutions with carbon capture, or other renewable technologies, thereby lowering emissions from production processes.

Power–to–platform is particularly relevant in Europe, where regulatory and market conditions strongly favour decarbonisation initiatives.

Action

By leveraging our expertise in offshore operations and renewable energy, we can deliver a differentiated value proposition to clients focused on emissions reduction.

We have developed capabilities through joint ventures, such as those involving BW Ideol, and are pursuing client–driven activities to further refine and scale this concept. Planned actions include developing pilot projects and expanding the application of the concept to multiple regions, particularly where regulatory incentives or client commitments to decarbonisation are strongest.

CLEAN ENERGY PRODUCTION THROUGH WINDFARMS – FINANCIAL OPPORTUNITY

Context

Floating wind presents a material opportunity for BW Ideol over the long term, concentrated within our own operations. As offshore electrification and renewable energy adoption accelerate, BW Ideol's floating wind solutions are positioned to support the transition to clean energy by offering scalable and affordable alternatives.

While large–scale commercial wind farm developments, such as SCOTWIND (UK), are expected to reach commercial operation dates in the next decade due to time–consuming consent application processes and delays in access to grid connections, BW Offshore is actively pursuing nearer–term applications that leverage its existing offshore expertise to build capabilities in the floating wind sector.

This opportunity is particularly relevant as demand for renewable energy sources increases and offshore wind becomes a cornerstone of sustainable energy strategies worldwide.

Action

Low–emission energy production significantly affects BW Offshore's business model, strategy, and decision–making and offers pathways to diversify revenue streams that have the potential to support a sustainable business throughout energy transition.

Impact, risks and opportunity management

TRANSITION PLAN FOR CLIMATE CHANGE MITIGATION

E1–1 Transition plan for climate change mitigation

We are committed to aligning our strategy and business model with the energy transition objectives. In 2024, we completed our fleet divestment programme by retiring legacy assets with high–carbon footprints. These divestments contributed to a reduction in our overall CO_2 emissions. In addition, BW Offshore is exploring diversification into low–emission energy production solutions.

In 2024, BW Offshore initiated the development of an energy transition scenario model. The model sets a range of potential future states of global energy mix via three published outlook scenarios: DNV Energy Transition Outlook 2024, IEA Net Zero 2024, and IEA STEPS 2024 (read more on page 43). The model further assesses current strategic plans against various scenario–driven risk and opportunity sets and links potential business lines with perceived energy transition pathways.

While we do not yet have a firm net–zero or carbon–neutral transition plan, we continue to actively engage with industry stakeholders to drive collective emissions reductions and technological innovation. BW Offshore will develop a transition plan depending on our strategic direction.

Recognising that emissions reduction relies on collaboration across the value chain, BW Offshore is working with clients and industry partners to develop joint initiatives and explore decarbonisation technologies. We also are evaluating alternatives to existing refrigerants. We will incorporate updates on access to sustainable financing and transition strategies into our ongoing efforts to strengthen our alignment with climate goals.

POLICIES RELATED TO CLIMATE CHANGE

E1–1 Policies related to climate change mitigation and adaptation

BW Offshore integrates environmental management into our Environmental Management System, which systematically identifies, assesses, controls, monitors, and continuously improves our processes. This system is independently certified by ABS to the globally recognised best practice ISO 14001:2015 Environmental Management Standard. In 2024, after consulting with internal stakeholders in Projects, Asset Operations, Supply Chain, Business Development, and Engineering, we launched our Environmental Policy and Environmental Reporting Guideline.

The policy applies globally and is overseen by the Chief Executive Officer. It is available to all personnel through the BW Offshore Management System and is prominently displayed in offices and onboard FPSOs. The Environmental Policy addresses core material environmental matters, such as energy efficiency, the promotion of emission reduction, and best available techniques; however, some climate–specific mitigation and adaptation areas are currently under review.

BW Offshore is evaluating whether to formalise a climate or sustainability policy to address broader climate–related objectives and align with stakeholder expectations and regulatory obligations. During 2025, Senior Management will consider a sustainability roadmap that includes the creation of sustainability ambassadors to promote our sustainability ambitions across the organisation.

ACTIONS AND RESOURCES IN RELATION TO CLIMATE CHANGE

E1–3 Actions and resource in relation to climate change policies
E1–4 Targets related to climate change

BW Offshore operates our assets under contracts with oilfield operators, which limits our direct control over the GHG emissions generated by these units. Due to this operational structure, BW Offshore has not yet established specific, measurable emission reduction targets. However, we remain committed to environmental sustainability through initiatives aligned with our Environmental Policy. These initiatives include compliance with regulatory frameworks, such as the 2024 Flare Consent limits for BW Catcher and feasibility studies to transition to lower Global Warming Potential

(GWP) refrigerants on BW Adolo and BW Pioneer.

BW Offshore's fleet divestment programme retired legacy assets, with high-carbon footprints. This initiative has led to a significant reduction in CO_2 emissions and demonstrates our strategic focus on transitioning to a more sustainable operational model. The divestment programme was completed with the decommissioning of FPSO Petroleo Nautipa in January 2024. The divestment programme also aligns with the Environmental Policy, which underpins our efforts to reduce emissions and minimise our environmental impact.

We have adopted various decarbonisation levers to address our environmental footprint, including operational optimisation, investment in cleaner technologies, and collaboration with stakeholders to promote sustainable practices.

Our flagship FPSO BW Opal was designed to achieve emission reduction through application of the latest power generation technologies of combined cycle gas turbines (CCGT) with waste heat recovery. BW Opal's design has been optimised to reduce fuel, flare, and vent (FFV) emissions and to enable the possibility of future export of reservoir CO_2 to a CCS project.

The effectiveness of BW Offshore's environmental policies and actions is continuously monitored. Data are collected through daily operational reports and analysed quarterly. This tracking system enables us to evaluate our ongoing performance and adapt initiatives as required.

As a result of our fleet divestment programme, in 2024 we achieved 93.3% reduction of Scope 1 emissions, and 63.1% reduction of Scope 3 emissions compared to 2023. However, anticipated emissions are expected to increase in 2025 with BW Opal commencing operations.

BW Offshore is assessing additional adaptation actions and their associated timelines to develop increased in our operations. These evaluations will consider resource availability and long-term financial implications of future projects.

Performance and metrics

ENERGY CONSUMPTION

E1–5 Energy consumption and mix

The table below outlines key metrics for energy usage across operational activities.

Energy Consumption and Mix

		2024
Total energy consumption	MWh	6828
Total fossil energy consumption	MWh	6187
Fuel consumption from coal and coal products	MWh	N/A
Fuel consumption from crude oil and petroleum products	MWh	2244
Fuel consumption from natural gas	MWh	N/A
Fuel consumption from other fossil sources	MWh	N/A
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	MWh	3943
Total renewable energy consumption	MWh	590
Fuel consumption for renewable sources, including biomass	MWh	N/A
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	MWh	590
Consumption of self–generated non–fuel renewable energy	MWh	N/A
Consumption from nuclear sources	MWh	51
Share of energy consumed per category		
Fossil sources	%	90.6
Renewable sources	%	8.6
Nuclear sources	%	0.8

Energy intensity

		2024
Energy intensity from activities in high climate impact sectors (total energy consumption per net revenue)	MWh/mill USD Revenue	11.25
Total energy consumption from activities in high climate impact sectors	%	100

BW Offshore operates within a high climate impact sector and, therefore, reports energy intensity metrics based on total energy consumed in relation to total net revenue (refer to Note 3 in the financial statements).

For the reporting period, total energy consumption was 6828 MWh with an energy intensity of 11.25 (total energy consumption per net revenue).

GREENHOUSE GAS (GHG) EMISSIONS

E1-6 Gross scopes 1, 2, 3 and total GHG emissions

The table below presents key GHG metrics, providing insights into our efforts to mitigate emissions in alignment with international standards and protocols.

Emission Indicators

		2024	2023	2022
Scope 1 – CO_2 eq	thousand tonnes	0.6	9.4	–
CO_2	thousand tonnes	0.6	9.3	–
CH_4	thousand tonnes	–	–	–
N_2O	thousand tonnes	–	–	–
Scope 2 – CO_2 eq	thousand tonnes	1.6	20.4	0.3
CO_2	thousand tonnes	1.6	20.3	0.3
CH_4	thousand tonnes	–	–	–
N_2O	thousand tonnes	–	0.1	–
Scope 3 – CO_2 eq	thousand tonnes	332	900	1 411
CO_2	thousand tonnes	294	777	1 219
CH_4	thousand tonnes	1	3	5
N_2O	thousand tonnes	–	–	–
HCFCs & HFCs (in CO_2, eq)	thousand tonnes	Refer to note	10.9	13.3
Air travel	thousand tonnes	6.9	8.4	10.7
Total GHG eemissoons	thousand tonnes	334.3	929.8	1411.3
Energy consumption offshore	TJ	4 273	5 559	8 199
CO_2 eq per barrel produced	kg/boe	13.32	29	23
GHG Emissions Intensity (Scope 1 and 2)	Te CO_2 eq/mill USD Revenue	3.6	45	18
GHG Emissions Intensity (Scope 3)	Te CO_2 eq/mill USD Revenue	547	1365	1 806
Air Travel Emissions CO_2 eq				
Fleet operations	thousand tonnes	3.4	4.4	5.9
Corporate	thousand tonnes	3.4	4	4.8
Flaring				
Flared gas	mmscf	900	7699	13133

Notes to table
- Declared under overall Scope 3 CO_2 equivalent emission

GHG EMISSION METRIC METHODOLOGIES

BW Offshore monitors, calculates, and discloses GHG emissions across Scopes 1, 2, and 3 to address our material sustainability matters. The selected metric for GHG intensity is total annual GHG emissions per net revenue in USD, reconciled with the net revenue figures and aligned with the currency used in our financial statements.

We consolidate emissions data for all subsidiaries and joint ventures under operational control and do not include unconsolidated subsidiaries. BW Offshore does not offset emissions by originating or purchasing carbon credits, nor does it apply internal carbon pricing schemes. No changes to the reporting boundaries or consolidation methods have been made in the reporting year, which allows year-on-year comparability.

Scope 1 emissions

Scope 1 emissions include combustion emissions from offshore assets not operating under a service agreement and third-party vessels directly contracted by BW Offshore. These emissions are estimated using Intergovernmental Panel on Climate Change (IPCC) GHG emissions factors for the maritime industry and the Oil and Gas UK Environmental Emissions Monitoring System. BW Offshore independently estimates fuel consumption for the charter period and applies GWP rates from the IPCC 5th Assessment Report to calculate emissions.

Scope 2 emissions

Scope 2 emissions arise from electricity purchased to operate global offices. Emissions are calculated using location-based methodologies aligned with the GHG Protocol Scope 2 Guidance and IEA emissions factors. GWP rates are from the IPCC 5th Assessment Report. We do not report on market-based Scope 2 emissions or derived data due to lack of market-based data for our operations.

Scope 3 emissions

BW Offshore's Scope 3 emissions encompass multiple sources, including:

- **FPSO operations:** Combustion emissions from FPSOs under service agreements are calculated using the Power BI Environmental Report tool that incorporates daily fuel consumption data from vessel reports. Fugitive and vented emissions are calculated using methodologies from the American Petroleum Institute (API) and UK Oil and Gas Guidelines.

- **Project construction activities:** Monthly HSSE reports from yard owners provide fuel consumption data for FPSOs under construction.

- **Air travel:** GHG emissions from corporate air travel are reported monthly by BW Offshore's designated travel provider.

- **HFC consumption:** Procurement records document freon gas purchases for HVAC and refrigeration systems; emissions are calculated using IPCC GWP factors. BW Offshore consolidates Scope 3 emissions data under operational control.

~90% of Scope 3 emissions are calculated using primary data.

Other reporting details

BW Offshore does not generate material biogenic CO_2 emissions from biomass combustion or biodegradation. All relevant Scope 3 categories have been included in our emission inventory, specifically categories 3 (Fuel-and energy- related activities not included in Scope 1 or 2), 6 (Business travel), and 13 (Downstream leased assets) from the GHG Protocol, covering combustion, fugitive emissions, air travel, and HFC consumption.

No additional Scope 3 categories have been excluded.

Metrics used for GHG emissions calculations are aligned with established methodologies such as the GHG Protocol and IPCC guidelines, with no significant exclusions affecting the overall emissions inventory.

ESRS E2

Pollution

BW Offshore recognises the environmental and societal impacts, risks, and opportunities associated with pollution prevention and control across our value chain.

These considerations include the management of non-GHG air emissions, the prevention of water pollution through effluent discharge, and spill mitigation. Our material pollution-related impacts, risks, and opportunities (IROs) are outlined in this chapter.

GO BACK

Material impacts, risks and opportunities

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Sub-topics/Sub-sub-topics	Material impact, risk, or opportunity	Category	US	OO	DS	Short term	Medium term	Long term
Pollution of air	Non-GHG air emissions	Negative actual impact		x		x	x	x
Pollution of water	Planned discharge of effluent streams	Negative actual impact		x		x	x	x
	Major hydrocarbon spills to the environment	Negative potential impact		x		x	x	x
	Major hydrocarbon spills to the environment	Financial risk		x		x	x	x

Note to table:
Upstream (US): Includes activities related to the initial stages of the value chain, such as suppliers providing products or services used in the development of the undertaking's products or services.
Own Operations (OO): Refers to activities within the reporting company, including its use of human resources and other internal processes.
Downstream (DS): Encompasses entities that receive products or services from the undertaking, such as distributors and customers

NON-GHG EMISSIONS – ACTUAL NEGATIVE IMPACT

Context

Non-GHG emissions, including carbon monoxide (CO), sulphur dioxide (SO_2), nitrogen oxides (NO_2), and non-methane volatile organic compounds (NMVOCs), are generated during fuel combustion in power generation and heating systems that sustain FPSO operations, and constitute an actual negative impact. These emissions are from our own operations and value chain, specifically BW Adolo, BW Catcher, and BW Pioneer, which operate in Gabon, the UK, and the US respectively.

These impacts are directly connected to BW Offshore's business model because fuel combustion is integral to FPSO operations, including energy generation and thermal systems. BW Offshore is both directly and indirectly involved in this impact through our duty-holder responsibilities and customers.

Stakeholders and Consequences

Non-GHG emissions have a negative impact on the natural environment and contribute to localised air quality deterioration and associated environmental health risks. In the short term, impact is concentrated in areas surrounding operational FPSOs, with daily emissions directly affecting local air quality.

Over the medium term, the cumulative effects of these emissions could exacerbate regional air pollution issues, and regulatory pressures are likely to increase. In the long term, the absence of commercially viable remediation options could result in persistent environmental degradation unless cleaner technologies are made available at scale.

Actions

Non-GHG emissions from our assets affect operational efficiency and compliance with air quality standards. BW Offshore has phased out older units from our fleet as part of broader asset management efforts, which contributes to reducing our non-GHG emissions. Additionally, air quality monitoring systems have been implemented to track emissions across operational assets. Potential strategies may include optimising fuel efficiency and adopting cleaner technologies, such as alternative power generation systems.

PLANNED DISCHARGE OF EFFLUENT STREAMS – ACTUAL NEGATIVE IMPACT

Context

Discharge of effluent water is a well-regulated process in the FPSO industry, and maintenance of pollution prevention equipment is typically subjected to review by the local Environmental Regulator. However, planned effluent discharges, particularly produced water, constitute an actual negative impact and is concentrated within BW Offshore's own operations, specifically on our

FPSO facilities. Produced water, which includes hydrocarbons, heavy metals, naturally occurring radioactive materials (NORMs), and residual chemicals, represent a significant environmental concern if they are not properly managed.

These impacts are directly linked to BW Offshore's business model, which requires continuous effluent treatment and discharge within regulatory limits. Our involvement in this impact is direct, as the duty holder for the facilities responsible for effluent discharges and maintenance of treatment systems.

Produced water discharges across the BW Offshore fleet are well within the World Bank Group guideline limit of 30 ppm (parts per million) oil in water content (monthly average). In 2024, the average oil in water content in produced water discharge from our fleet was 11.60 ppm. All planned effluent streams (produced water, sewage, engine room bilges, cooling water and food wastes) have been discharged within regulatory requirements and industry guidelines.

Stakeholders and Consequences

The discharge of produced water may have adverse effects on marine ecosystems and the natural environment. Hydrocarbon content, heavy metals, and residual chemicals in the discharge can accumulate in marine organisms, disrupting food chains, and reducing biodiversity. Chronic exposure to these pollutants may lead to long-term contamination of sediment and water.

Action

The current and anticipated effects of planned effluent discharges in BW Offshore's business model and strategy are centred on compliance obligations and operational integrity. Discharges are monitored through onboard oil-in-water analysers, and off-spec discharges are redirected to slop tanks for additional treatment until permissible discharge limits are met.

These controls are consistent with international guidelines, such as the World Bank Group's discharge limit of 30 ppm for produced water and MARPOL's 15 ppm limit for slop water. BW Offshore will evaluate, as needed, our treatment systems and strengthen reporting mechanisms to address emerging regulatory changes and stakeholder expectations. No fundamental changes to our strategy are currently required to manage this impact.

MAJOR HYDROCARBON SPILLS TO THE ENVIRONMENT – FINANCIAL RISK AND POTENTIAL NEGATIVE IMPACT

Context

BW Offshore has an extensive track record of project execution and operations, and since our origin we have executed 40 FPSO and FSO projects without any major hydrocarbon spills to the environment. Still, the risk and potential negative impact of a major hydrocarbon spill is concentrated within BW Offshore's own operations, specifically in the operation of FPSOs and during project execution activities.

Hydrocarbon containment failures during storage or transfer could result in environmental harm to marine ecosystems and regional biodiversity and financial consequences. The risk and impact is directly tied to BW Offshore's business model and strategy, which rely on the safe handling of hydrocarbons under high-pressure conditions in offshore environments. In recent years, the likelihood of this operational hazard has grown due to the threat of cyberattacks. Our role as the operator of FPSO assets places us in direct control of these operational hazards and their management.

Stakeholders and Consequences

The discharge of hydrocarbons during a major spill would result in severe consequences for marine ecosystems and the surrounding environment. In the short term, spills can cause acute toxicity in marine organisms. These immediate effects can lead to a collapse in local biodiversity. Over the medium term, persistent hydrocarbons, such as polycyclic aromatic hydrocarbons (PAHs) can bioaccumulate in the food chain. Over the long term, disruptions from spills can result in regional biodiversity loss and sustained ecological imbalance.

Action

The potential for hydrocarbon spills could impact BW Offshore's business model, value chain, and decision-making processes through increased operational costs, reputational damage, and regulatory penalties. Preventive controls begin at the design phase, where FPSOs are equipped with corrosion-resistant piping, double-hulled storage tanks, and cathodic protection systems to minimise material degradation. Maintenance is a critical to mitigating the risk of spills and involves scheduled equipment inspections, ultrasonic thickness testing, and real-time condition monitoring to detect wear and corrosion before failure occurs. Operational safeguards include redundant pressure safety valves, high-integrity pressure protection systems, and automated shut-off valves to prevent overpressure events. Procedural controls, such as permit-to-work systems, regular hazard identification, and operability studies further reduce the likelihood of spills by enforcing strict operational protocols.

Mitigative controls, aimed at limiting the consequences of a spill if one occurs include advanced fire and gas detection systems, automated emergency shutdown systems (ESD), and spill containment barriers. Fire suppression systems and water deluge systems are also in place to control ignition sources and limit escalation in the event of a spill. BW Offshore maintains comprehensive oil spill response plans, which include pre-negotiated agreements with external response contractors and regional spill response organisations. Drills and scenario testing are conducted regularly to enhance readiness.

Impact, risk and opportunity management

POLICIES RELATED TO POLLUTION

E2-1 Policies related to pollution

Our Environmental Policy is designed to mitigate material impacts and risks related to pollution, including planned discharge of effluent streams, major hydrocarbon spills, and non-GHG emissions. The policy is embedded in our ISO 14001-certified Environmental Management System, which supports systematic identification, assessment, and control of pollution-related risks across our operations.

This policy focuses on minimising air and water pollution and aligns with global standards, such as the World Bank's 30 ppm limit for produced water discharge and MARPOL's 15 ppm standard for slop water.

The Environmental Reporting Guideline complements the policy and outlines processes for tracking and reporting material environmental matters identified.

The Chief Executive Officer is accountable for implementing the Environmental Policy, which applies across BW Offshore. Stakeholder input during the policy's development supports alignment with operational realities. The policy incorporates measures to avoid pollution-related incidents and outlines procedures for managing emergency situations to minimise impacts on people and the environment.

These include controlling major environmental risks, such as accidental discharges, and preparing for emergencies through unit-specific shipboard oil pollution emergency plans.

The policy and guidelines are accessible internally on BW Offshore's Management System and are publicly available on our website.

Actions and resources related to pollution

E2-2 Actions and resources related to pollution
E2-3 Targets related to pollution

BW Offshore has not yet established specific, measurable outcome-related targets for pollution. However, we actively track performance against our Environmental Policy, which is integrated into the ISO 14001-certified Environmental Management System. We are managing these matters through operational controls and continuous improvement initiatives aimed at reducing environmental impacts and complying with applicable international standards, such as MARPOL and the World Bank guidelines.

BW Offshore employs a comprehensive set of actions and resource allocations to address material pollution-related impacts, risks, and opportunities, including the planned discharge of effluent streams, potential hydrocarbon spills, and non-GHG emissions. A key action involves advanced design and operational measures for FPSO BW Opal, including adopting combined cycle gas turbine (CCGT) technology to reduce emissions intensity by using waste heat recovery to generate steam, which eliminates the need for additional turbines. Additional measures include two-stage CO_2 removal membranes to minimise hydrocarbon losses, a thermal oxidiser system to mitigate methane emissions, and a vapour recovery system that captures low-pressure gas, which reduces reliance on flaring or venting.

The scope of these actions covers operating FPSOs for water pollution prevention and FPSOs under development, such as BW Opal, for air pollution management through innovative design. Oil in water analysers on our assets automatically divert off-specification water to storage tanks for reprocessing in compliance with regulatory discharge limits (e.g., <30 ppm for produced water).

In the short term, our actions are focused on implementing operational measures, such as compliance with discharge limits. Medium-term actions include scaling innovative pollution prevention technologies to more FPSOs. Long-term plans aim to develop baseline data and expand pollution management across value chains.

To mitigate potential harm from pollution incidents, BW Offshore employs unit-specific SOPEPs, conducts annual spill response drills, and implements preparedness scenarios for environmental emergencies. Further details of specific mitigation efforts related to individual, pollution-related impacts and risks can be found under the descriptions at the beginning of this section. These actions align with BW Offshore's goal of minimising harm to people and the environment, and their efficacy is reviewed regularly, with updates provided to stakeholders as needed based on performance evaluations. Specific quantitative updates are targeted for future reporting cycles as baseline metrics are developed.

Pollution-related actions extend to upstream and downstream value chain engagements where relevant. Future plans aim to evaluate and formalise these collaborations as part of BW Offshore's broader sustainability strategy. The effectiveness of these measures is monitored through data collection, periodic reviews, and reporting via internal systems such as the Power BI Environmental Reporting Tool. Stakeholder engagement, including input from operational teams and external advisors, is part of ongoing efforts to evaluate the need for future targets.

Performance and metrics

POLLUTION INDICATORS

The table discloses the non-GHG pollutants BW Offshore emits that exceed the threshold value specified in Annex II of Regulation (EC) No 166/2006. The amounts are consolidated to include the emissions from facilities in which we have financial and operational control.

METRICS

E2-4 Pollution of air, water and soil

Pollution Indicators		2024	2023	2022	2021
Non-GHG Emissions and Discharges					
CO	thousand tonnes	0.7	1.8	2.9	3.4
NO_x	thousand tonnes	4.4	5.6	8.6	10.4
SO_2	thousand tonnes	–	0.1	0.1	1.4
nmVOC	thousand tonnes	0.4	3.3	6.0	7.3
Marine Discharges and Chemical Management					
Produced water re-injected	thousand bbls	32 513	26 395	23 749	15 403
Produced water discharged to sea	thousand bbls	4 852	9 510	16 364	27 664
Oil in water content	ppm	11.6	14.38	10.86	12.71
Oil Spills					
Number of significant overboard spills (>100bbls)		–	–	–	–
Accumulated oil spill	ltr	27	20	2	65

Note to table:
- Plant combustion processes (calculated daily through environmental reporting system)

EFFLUENT MANAGEMENT AND POLLUTION TO WATER

Effluent discharges across BW Offshore's FPSO fleet are carefully monitored to comply with local regulations. Produced water, a by-product of oil and gas extraction, undergoes de-oiling treatment onboard each FPSO through Oil in Water Analysers to meet stringent discharge limits, including a maximum oil-in-water (OIW) concentration of 30 barrels (ppm) as recommended by the World Bank Group.

In 2024, the average fleet-wide OIW discharge level was 11.6 ppm, which is a 19.3% decrease from last year (2023: 14.38 ppm). This decrease mainly stems from our fleet divestment.

Produced water discharged to sea is recorded in the Power BI Environmental Tool using input from the BW Offshore Daily Vessel Report. When produced water does not meet discharge quality specifications, it is diverted into dedicated storage tanks for reprocessing. Key discharge locations include operations offshore in Gabon (BW Adolo) and the Gulf of Mexico (BW Pioneer). BW Catcher rarely performs produced water discharge overboard as the system is designed for re-injection into the wells. The last overboard discharge was performed in 2021.

AIR POLLUTION

FPSO operations generate non-GHG emissions such as nitrogen oxides (NO_x), sulphur oxides (SO_x), and non-methane volatile organic compounds (nmVOC) primarily through fuel combustion for power generation and process heating. BW Offshore applies tailored emissions management approaches based on geographic regulatory requirements and operational design.

For example, BW Adolo has high water injection capacity that necessitates robust fuel use; on the other hand, emissions in the North Sea are tightly regulated. The Power BI Environmental Tool automatically calculates our FPSOs air pollutants using daily figures from the BW Offshore Daily Vessel Reports and calculation methods described in our Environmental Reporting Guideline.

In 2024, total fleet emissions were 4400 tonnes NO_x, 0 tonnes of SO_x, and 400 tonnes nmVOC, with geographic concentrations driven by production volumes and operational needs.

HYDROCARBON SPILL MANAGEMENT

BW Offshore adheres to ISO 14001 standards to mitigate hydrocarbon spill risks and improve spill response preparedness. No major hydrocarbon spills were recorded in 2024.

Regular spill response drills were conducted across all assets to maintain readiness, and spill response capabilities were benchmarked to industry standards. Occurrences of an overboard spill and estimation of mass released (in litres) is reported in the Synergi Incident Reporting Tool. This data is reviewed and reported in the Operational Integrity (OI) Monthly Management Report. Input into our Sustainability Statement is taken from these reports.

In 2024, a total of 27 litres of minor accidental hydrocarbon discharges were recorded across all assets.

Other pollutants

Pollution levels associated with BW Offshore's activities have shown consistent improvement due to technological upgrades and operational enhancements. Since 2021, BW Offshore has achieved significant reductions in NO_x and SO_x emissions and consistently maintained OIW discharges below regulatory thresholds.

Innovations, such as the use of combined cycle gas turbines, have been key contributors to these reductions. Where inferior calculation methodologies, such as indirect calculations, are used, BW Offshore is actively exploring direct measurement technologies to improve data fidelity and transparency

ESRS E5

Resource Use and Circular Economy

BW Offshore acknowledges the importance of efficient resource use and the integration of circular economy principles within our value chain. These considerations encompass the reuse and recycling of materials, the responsible handling of waste, and the optimisation of resource outflows related to our products and services.

By prioritising resource efficiency and waste minimisation, BW Offshore aims to reduce environmental impacts and create long-term value for stakeholders. Our material IROs related to resource use and circular economy are detailed in this chapter.

Material impacts, risks and opportunities

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Topic	Sub-topics/Sub-sub-topics	Material impact, risk, or opportunity	Category	US	OO	DS	Short term	Medium term	Long term
E5 Resource Use and Circular Economy	Resource outflows related to products and services	Recycled and reused steel material from FPSOs	Positive actual impact			x			
	Waste	Waste handling	Negative actual impact		x				

Note to table:
Upstream (US): Includes activities related to the initial stages of the value chain, such as suppliers providing products or services used in the development of the undertaking's products or services.
Own Operations (OO): Refers to activities within the reporting company, including its use of human resources and other internal processes.
Downstream (DS): Encompasses entities that receive products or services from the undertaking, such as distributors and customers

RECYCLED AND REUSED STEEL MATERIAL FROM FPSOS – ACTUAL POSITIVE IMPACT

Context

Recycling and reusing steel from FPSOs constitutes an actual positive impact concentrated in BW Offshore's downstream value chain, specifically during decommissioning and recycling activities carried out at approved yards. For every tonne of recycled steel, the consumption of 1.5 tonnes of iron ore and 0.5 tonnes of coal is avoided, and water usage is reduced by 40%. Additionally, recycling steel decreases CO_2 emissions by 58% compared to virgin production processes. For example, in the decommissioning of FPSO Petróleo Nautipa, steel recycling efforts have resulted in an estimated CO_2 emissions savings of 18 812.56 tonnes, which significantly reduces the environmental footprint of the FPSO lifecycle.

Stakeholders and consequences

Recycling steel reduces costs associated with waste management and minimises the environmental footprint by decreasing the demand for virgin raw materials. BW Offshore has incorporated recycling processes into our decommissioning procedures and collaborated with specialised partners to comply with environmental requirements.

BW Offshore is also exploring opportunities to optimise recycling practices and increase material recovery rates for future decommissioning projects.

Action

This impact originates from BW Offshore's ambition to embed circular economy principles into our asset lifecycle management. For instance, steel recovered from decommissioned FPSOs is recycled and sold rather than discarded. We are directly involved in this impact through our partnerships with certified recycling facilities, and internal focus is on maximising resource efficiency during asset decommissioning.

WASTE HANDLING – ACTUAL NEGATIVE IMPACT

Context

The negative impact of waste generated by BW Offshore is concentrated within our own activities of FPSO operations, projects, and office work and in downstream waste handling by licensed contractors. Waste streams include packaging materials for new equipment, consumables such as flushing chemicals, and old equipment designated for scrap.

On our FPSOs, BW Offshore maintains direct control over waste generation and management until the waste is handed over to licensed waste disposal contractors. This includes complying with MEPC.296(71) regulations governing garbage management and maintaining records for waste collection, processing, storage, and discharge.

During project execution, waste generated at shipyards is managed by the contracted yard(s), which are audited by BW Offshore for compliance with regulatory requirements.

Although waste disposal ultimately depends on third-party handlers, BW Offshore retains indirect control by enforcing supplier and yard compliance with our waste management policies.

Stakeholders and consequences

Waste impacts the environment through land, groundwater, and waterway pollution when disposal is not handled appropriately. Methane emissions from landfill waste also contribute to climate change.

In the short term, these impacts are localised to disposal facilities and depend on licensed contractors.

Over the medium term, as waste volumes increase with activity, improper handling could result in cumulative environmental degradation. Over the long term, these impacts could expand to include regional ecosystem harm that is caused by land contamination and water resource depletion that is challenging to remediate.

Action

The management of waste impacts BW Offshore's business model by necessitating operational controls, compliance costs, and engagement with external vendors and waste disposal providers. Waste minimisation strategies, such as reducing single-use plastics and implementing supplier requirements for environmentally responsible packaging, aim to mitigate these impacts.

We are actively progressing initiatives like the packing and preservation requirements for suppliers to reduce waste and prioritise recycling. BW Offshore plans to expand waste reduction initiatives, such as increasing the scope of plastic reduction efforts on FPSOs and integrating enhanced waste segregation systems in offices.

Impact, risk and opportunity management

POLICIES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

E5-1 Policies related to resource use and circular economy

BW Offshore's Environmental Policy incorporates resource efficiency and circular economy principles to address material impacts and risks, including waste handling and steel recycling from decommissioned FPSOs. This policy is integrated into the ISO 14001-certified Environmental Management System, which establishes a framework for the systematic identification, assessment, and control of impacts and risks associated with resource use and waste generation.

Key measures focus on minimising waste, increasing material recovery, and embedding circular practices into operations and decommissioning activities.

Environmental Reporting Guideline support the policy and outline processes for tracking and reporting progress on material matters identified in the Double Materiality Assessment, such as environmental and financial benefits of steel recycling.

The Chief Executive Officer is responsible for policy implementation with input from internal teams and external partners for practical applicability and alignment with stakeholder expectations.

BW Offshore aligns our approach with international standards, including Basel Convention guidelines for hazardous waste and MEPC.296(71) for garbage management on ships. Policies are accessible internally through BW Offshore's Management System and external visibility provided through public disclosure on our website.

ACTIONS AND RESOURCES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

E5-2 Actions and resources related to resource use and circular economy
E5-3 Targets related to resource use and circular economy

BW Offshore has not yet established specific, measurable outcome-related targets for resource use and circular economy. However, we actively track performance against our Environmental Policy through qualitative and quantitative monitoring systems, including waste audits and recycling metrics. Progress is measured against baseline values established in 2024, using methodologies aligned with MARPOL Annex V and the Hong Kong Convention. Stakeholder input, including engagement with operational teams and vendors, informs ongoing initiatives to improve resource efficiency and minimise waste streams.

BW Offshore plans to revisit the potential for setting targets in the future as part of our strategy to align with evolving regulatory requirements and operational priorities.

Circular Principles in Asset Design

BW Offshore integrates circular economy principles into our asset lifecycle management through, for example, material selection and design features that enhance durability and optimise resource use.

The design of FPSOs, such as BW Opal, exemplifies these principles. The selection of stainless steel for critical infrastructure reduces the need for replacements over the asset's lifespan. Other features, such as LED lighting systems, replace traditional fluorescent lighting, which reduces maintenance costs and energy use. These measures aim to extend asset durability and reduce lifecycle costs associated with repairs and replacements.

The scope of circular design efforts spans all new-build FPSOs by reducing material use and improving recyclability. Current efforts aim to integrate maintenance-free materials and improve modularity for easier decommissioning and recycling. These activities align with BW Offshore's broader objective to reduce the use of virgin materials and prioritise sustainable sourcing.

Ship recycling practices

BW Offshore's ship recycling practices reflect a strong commitment to the principles of sustainable resource use and circular economy. In line with the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, BW Offshore's decommissioned FPSOs are recycled to maximise material recovery and minimise hazardous waste generation. For FPSO Petróleo Nautipa, recycling activities are currently ongoing and are expected to be completed within Q1 2025 with Bijnath Melaram Lot 12, Alag, Gujarat, India.

As of December 2024, 16 796.93 tonnes of material have been recycled from an original deadweight tonnage of 23 590.2, with 69793.27 tonnes remaining. Calm Ocean, a third-party representative, is monitoring the process on-site for compliance with environmental and safety regulations and adherence to the recycling plan. BW Opal will, upon completing operations, be recycled in accordance with the Field Environmental Plan requirements.

Waste management

BW Offshore's waste management approach aligns with regulatory frameworks, including MEPC.296(71), and focuses on minimising waste generation, responsible disposal, and circular economy practices. Across FPSOs, operational controls include waste segregation at the source and strict adherence to garbage management protocols. From 2023, we have expanded initiatives to reduce single-use plastics, piloting oxo-biodegradable plastic shoe covers, and biodegradable pallet wraps on FPSO BW Catcher.

Additional measures include transitioning to corrugated paper in place of bubble wrap at the UK warehouse and collaborating with vendors to explore environmentally friendly packaging alternatives.

The scope of waste management activities includes FPSOs, project sites, and office locations globally. Key actions target operational waste streams, such as consumables, packaging materials, and obsolete equipment. Waste handling during FPSO projects is overseen by contracted yards that are audited by BW Offshore for compliance with local requirements.

Performance and metrics

METRICS

E5–5 Resource outflows

BW Offshore's resource outflows are managed through robust waste management strategies and circular economy principles so that materials and waste processing minimise environmental impact. Resource outflows are primarily associated with FPSO operations, yard activities, and decommissioning. The table reflects quantitative metrics on waste generation and recycling, supporting BW Offshore's efforts to contribute to circular economy.

RESOURCE OUTFLOW AND WASTE GENERATION

Indicator	Unit	2024	2023	2022
Total waste generated	Tonnes	1563.92	2 200	1000
Total waste diverted from disposal	Tonnes	357.52	6 500	2 200
Hazardous waste diverted from disposal	Tonnes	146.87	100	200
Hazardous waste recycled	Tonnes	120.04		
Hazardous waste recovered	Tonnes	3.6		
Non–hazardous waste diverted from disposal	Tonnes	210.65		
Non–hazardous waste diverted due to preparation for reuse	Tonnes	–		
Non–hazardous waste recycled	Tonnes	134.3	1 300	500
Non–hazardous waste diverted due to other recovery operations	Tonnes	76.35		

Indicator	Unit	2024	2023	2022
Total waste directed to disposal	Tonnes	1 206.4		
Total hazardous waste directed to disposal	Tonnes	276.69		
Hazardous waste disposed via incineration	Tonnes	93.96		
Hazardous waste disposed via landfill	Tonnes	45.27		
Hazardous waste disposed via other disposal operations	Tonnes	137.46		
Total non–hazardous waste directed to disposal	Tonnes	929.71		
Non–hazardous waste disposed via incineration	Tonnes	–		
Non–hazardous waste disposed via landfill	Tonnes	929.71		
Non–hazardous waste disposed via other disposal operations	Tonnes	–		
Non–recycled waste	Tonnes	1206.4		
Percentage of non–recycled waste	%	77.14		
Total hazardous waste generated	Tonnes	423.56		
Total radioactive waste generated	Tonnes	–		

Key products and materials

BW Offshore's production processes do not generate consumer–facing products but rather highly specialised offshore oil and gas assets and components that contribute to the global energy sector. Key outputs include steel and alloy components recovered during FPSO decommissioning and end–of–life recycling activities. These materials, predominantly structural steel and stainless steel are processed and reintegrated into industrial supply chains.

Beyond decommissioning, BW Offshore applies circular principles in the design phase of FPSOs by prioritising the use of durable materials, like stainless steel for critical components such as cable trays and maintenance–free fixtures. Expected durability exceeds industry averages, which reduces the need for refurbishments and replacements over the asset lifecycle. Reparability of FPSO components and modular design is also integral to BW Offshore's operational strategy to enable cost–efficient replacements of key systems such as heating and power generation units.

Circular economy integration and waste management

Recyclable content is key in BW Offshore's asset design and operations. While BW Offshore does not produce consumer packaging, we actively manage waste streams generated during operations and indirectly during construction projects.

Waste streams relevant to BW Offshore's sector include general waste, oily hazardous waste, and recyclable steel. These streams are managed under FPSO waste management plans, with segregation and tracking processes in place to comply with MARPOL and ISO 14001 standards. Materials present in waste include metals, hydrocarbons, and hazardous chemicals, which are processed in collaboration with certified waste handlers.

Methodologies and data accuracy

Data on resource outflows and waste management is gathered through the Power BI Environmental Reporting Tool, which integrates data from the daily FPSO vessel reports. Weight, composition, and treatment data are recorded in the Waste Consignment Note and Garbage Record Book to enable traceability and comply with regulatory requirements.

Waste streams from BW Opal construction activities are logged manually by contractors, with monthly HSSE reporting submitted to BW Offshore for verification.

Social


We LEAD Awards
We LEAD Awards
We LEAD Awards
We LEAD Awards
We LEAD Awards
DISMOUNT BEFORE ENTERING

ESRS S1 OWN WORKFORCE

Health and Safety

BW Offshore designs, develops, owns, and operates assets for oil and gas production, often in remote offshore locations. These operations inherently involve heightened health and safety risks, making robust risk management essential to protecting our workforce and maintaining operational integrity. BW Offshore's material health and safety–related IROs are listed in this chapter.

Material impacts, risks and opportunities

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Sub-topics/Sub-sub-topics	Material impact, risk, or opportunity	Category	US	OO	DS	Short term	Medium term	Long term
Health and safety	Work-related accidents	Potential negative impact and financial risk		x		x	x	x
	Security of offshore workforce	Potential negative impact		x		x	x	x

Note to table:
Upstream (US): Includes activities related to the initial stages of the value chain, such as suppliers providing products or services used in the development of the undertaking's products or services.
Own Operations (OO): Refers to activities within the reporting company, including its use of human resources and other internal processes.
Downstream (DS): Encompasses entities that receive products or services from the undertaking, such as distributors and customers

WORK-RELATED ACCIDENTS – POTENTIAL NEGATIVE IMPACT AND RISK

Context

The potential negative impact of work-related accidents arises from BW Offshore's own operations. Heightened risks are present for employees in project construction and offshore operations. Offshore workers are exposed to high-risk environments involving heights, heavy machinery, and hazardous materials. Construction projects pose additional challenges due to their dynamic and complex nature. Process safety is critical, particularly in offshore operations, where incidents such as explosions, fires, or hazardous material releases could lead to catastrophic impacts. Work-related accidents are directly tied to BW Offshore's business model. Maintaining operational continuity and safety is essential, and we assume direct responsibility for worker safety.

Stakeholders and consequences

For affected employees, incidents may result in injuries, disabilities, or fatalities. Short term impacts include physical harm, emotional trauma, and stress to affected individuals and their families. Over the medium term, disabilities or chronic health conditions may affect quality of life in the form of, for example, strained family dynamics or reduced economic stability. In the long term, permanent impacts, such as fatalities, create enduring psychological and social consequences for families, communities, and colleagues. Accidents also disrupt operations, impact productivity, increase insurance premiums, generate additional costs, e.g., for repairs, and damage BW Offshore's reputation.

Safety incidents may lead to contractual penalties or terminations; litigation costs; or regulatory investigations, fines, or penalties. Longer-term risks include reduced employee morale and diminished competitiveness in securing future FPSO contracts.

Action

BW Offshore mitigates work-related accident impacts and risks through a structured approach embedded in our Management System. 100% of our own workforce is covered by or Health and Safety Management System. Key measures include HSSE awareness campaigns, safety inductions, and a Stop Work Policy that empowers personnel to halt unsafe operations.

Fitness-for-work protocols confirm physical and mental readiness. A systematic learning process drives continuous improvement through incident reporting, root cause analysis, and corrective actions.

STOP WORK

Doc. no: MS-PO05247 Rev: 2 Published: 01.07.2019

No task is so important that you must put yourself or others at risk of injury or illness to get it done.

This policy covers all employees, visitors, contractors and any other person affected by BW Offshore activities.

All employees, contractors and visitors have the permission and the responsibility to stop a work task or decline to perform an assigned task, without fear of negative consequences, when they believe there is a threat to the health and safety of themselves or others.

Individuals calling for Stop Work should inform their supervisor or the person in charge of the work immediately. All people with the responsibility for performing work also have the responsibility to stop and reassess the work when a safety concern is raised.

If you are worried about your safety or the safety of others

If something feels wrong STOP – don't do it

You have my support

Marco Beenen
CEO BW Offshore
1 July 2019

Safety performance is monitored and analysed for proactive risk management, and a recognition programme rewards safety-positive behaviour. Future initiatives will focus on training, lessons learned, and real-time monitoring technologies to strengthen hazard identification and prevention. These measures reinforce BW Offshore's commitment to workforce safety and ISO 45001 compliance.

SECURITY OF OFFSHORE WORKFORCE – POTENTIAL NEGATIVE IMPACT

Context

This potential negative impact arises from operating remote, high-value offshore installations, where security concerns include external threats, such as piracy, organised crime, and kidnapping, as well as internal threats such as unauthorised access, personnel breaches and sabotage, and cyber-attacks. This impact is concentrated in our own operations.

BW Offshore's role as duty holder on FPSOs and other offshore units necessitates our direct responsibility for the safety and security of our personnel. Operations in higher-risk areas, such as Gabon, present elevated security risks. BW Offshore addresses these threats by complying with the International Ship and Port Facility Security (ISPS) Code, implementing security aspects of our Safety-First Policy, and regularly enhancing physical and cybersecurity measures.

Cybersecurity is a growing consideration in offshore security management, particularly as FPSOs become increasingly digitalised. Threats such as unauthorised system access, data breaches, and potential cyber-physical attacks necessitate robust IT security measures.

Stakeholders and consequences

Security incidents can affect employees. In the short term, physical harm or threats to security can lead to acute stress, anxiety, and trauma. Over the medium term, repeated exposure to perceived or actual security risks may result in chronic psychological and physical effects. In the long term, the cumulative impact of security-related incidents can erode workforce morale, destabilise familial relationships, and diminish the overall sense of safety among employees. BW Offshore has also considered the potential threat cyber security can pose on our employees related to safety.

Action

The potential effects of security risks or incidents include disruptions to production, increased insurance premiums, costs to provide and maintain security measures, and reputational damage.

BW Offshore mitigates risks related to cyber security concerns by implementing stringent access controls, network segmentation strategies, and continuous system monitoring to protect operational technology (OT) infrastructure. These measures are complemented by threat intelligence sharing and scenario-based security exercises to enhance preparedness for cyber and physical security incidents. Collaboration with regional security providers and adherence to international standards, such as the ISPS Code, further improve our ability to respond to and mitigate security threats.

To mitigate risk, BW Offshore has implemented preventive measures, such as physical security upgrades on FPSOs, access control systems, and shipboard emergency response team (ERT) training.

BW Offshore has invested in strengthening our cybersecurity defences, supported by a skilled IT team that oversees system updates and threat response capabilities. Regular scenario-based security drills are conducted to enhance personnel readiness to respond effectively to incidents, and security policies are integrated into operational management systems.

Impact, risk and opportunity management

POLICIES RELATED TO HEALTH AND SAFETY

S1-1 Policies related to own workforce

BW Offshore is committed to fostering a workplace culture that values and promotes diversity, inclusion, and equal employment opportunities while ensuring a work environment free from harassment and hostility. Several governance documents support this commitment:

BW Offshore has implemented two key policies to manage our material health, safety and wellbeing matters of our personnel:

- **Safety First Policy:** Outlines BW Offshore's commitment to prioritise safety. The policy sets out the key requirements necessary for achieving this commitment.
- **Stop Work Policy:** Provides all personnel the explicit authority to stop any action they think is unsafe and/or they are unsure about and to initiate a process to define and clarify their concerns without any repercussions.

These policies form the cornerstone of our commitment to providing a safe environment for everyone. The policies apply across our business activities and to all employees and contractors, and is endorsed by the CEO, who is ultimately accountable for the policy implementation.

The Operational Integrity (OI) Management Standard outlines the activities and actions necessary to fulfil the policy commitments. The technical standards, processes, procedures and guidelines of the Management System allow these activities and systems to be consistently implemented and continuously improved. Our Management System is certified under the ISM Code, ISO 9001, ISO 14001 and ISO 45001, applies to all employees, contractors and visitors working at locations controlled by BW Offshore, and is available on our intranet.

Internal stakeholders and end-users are consulted while developing and updating safety policies. All employees can give feedback on the policies through the Management System, and policy owners consider feedback during periodic reviews.

Our onboarding process creates awareness of our safety policies through e-learning courses, which are mandatory and tailored to distinct roles within the organisation. Refresher training is conducted as needed and in accordance with industry best practices.

HEALTH AND SAFETY WORKFORCE ENGAGEMENT

S1-2 Processes for engaging with own workforce and workers' representatives about impacts

Safety leadership visits

Safty leadership visits connect senior leaders with employees from different levels of the organisation. These interactions create a direct link between the workforce and senior leaders and foster dialogue about, e.g., cultural and religious backgrounds. These periodic visits to operating and under-construction assets aim to:

- Emphasise safety as our top priority
- Enhance senior leadership understanding of the challenges to safe operations
- Cultivate a robust safety culture through active employee engagement

- Recognise and celebrate good safety practices and improvements
- Collect feedback for continuous improvement

The Technical Function owns the safety leadership visit process, while the Chief Technical Officer is responsible for its implementation. The process includes an annual review of feedback to derive lessons learned.
Working Environment Committee

In Norway and Singapore, Working Environment Committees (WEC) are in place to advocate on behalf of onshore workers for a secure, safe, and healthy work environment, The WEC meets quarterly with management. The Human Capital (HC) function manages the WEC process.

Offshore Safety Committee

All operating offshore units have an Offshore Safety Committee (OSC). There are monthly OSC meetings between worker representatives and management to discuss occupational health and HSE-related topics. The Asset Operations function manages the OSC process. The Offshore Installation Manager (OIM) is responsible for implementing the process on the respective asset.

S1-3 Processes to remediate negative impacts and channels for own workforce to raise concerns

All HSE incidents at BW Offshore are reported and classified in the Synergi Life system, where they are assessed based on severity and learning potential and include a causal analysis to develop corrective actions and prevent recurrence. Health risk assessments are conducted for all operational locations. Medics, equipment, and facilities are available to respond to illness or injuries onboard.

A Safety Observation System operates in BW Offshore facilities and online. Safety observations are reported on safety observation cards (SOCs), which allow submission of safety-critical actions, improvements, and positive recommendations. The system, maintained by the Technical Function, registers all cards, which are reviewed and followed up by relevant managers and stakeholders.

Offshore observations are verified by the OIM or Site Manager, who also registers SOCs in the Observation Card Database. Offshore management reviews and follow-ups on SOCs. The system's usage is monitored, with a target of one card per person per week (two for management) on the operating assets, and actual usage is tracked and reported monthly.

ACTIONS TAKEN AND PLANNED TO SAFEGUARD HEALTH AND SAFETY

S1-4 Taking action on material impacts on own workforce, and approached to managing risks and pursuing opportunities related to own workforce, and effectiveness of those actions
S1-5 Targets related to managing material impacts, advancing positive impacts and managing risks and opportunities

BW Offshore has not yet established measurable outcome-related targets for health and safety, in line with ESRS requirements. However, we actively track performance against our Safety-First Policy, which underlines that safety is at the core of everything we do. BW Offshore is committed to achieving zero harm by learning from incidents within our operations and across the industry. Our ambition is to consistently enhance safety and performance and avoid any incidents or harm to our people.

To this end, we apply a continuous improvement process to identify and implement safety enhancements. Key initiatives for 2024 – 2025 include:

- **Integrated Risk Management:** The project focuses on enhancing the quality of risk management at both operational and enterprise levels. The goal is to enable more effective and transparent risk management and provide senior leadership with a comprehensive view of our overall risk profile. This initiative aims to embed risk assessments seamlessly into daily work processes.

- **Competence Management System:** The initiative aims to enhance the competence management process to align job roles and safety-critical tasks with necessary competencies. The system also will address non-technical skills such as communication, leadership, and teamwork to provide a holistic approach to competence management.

- **Management System:** This initiative will improve the Management System and core documents by providing users with an effective tool for safe and efficient work.

- **Control of Work:** Developing and implementing an industry leading digital Control of Work solution. The aim is a process that enhance the quality and consistency in how the permit to work process is applied.

- **Barrier Management:** Introducing a fully integrated digital barrier management tool linked to the electronic control of work system. This initiative will strengthen our ability to identify, monitor, and manage critical safety barriers effectively.

- **Leadership Development for Offshore Supervisors:** Strengthening leadership capabilities among offshore supervisors to enhance safetyculture and leadership. This initiative focuses on equipping leaders with the skills necessary to guide their teams effectively.

BW Offshore allocate key resources and invest in training programmes, health and wellness initiatives, and support services, to effectively manage material health and safety-related impacts and risks. An HSSE Manager is assigned to support each project and operating asset.

Monitoring of key indicators

BW Offshore tracks operational integrity (OI) performance through a comprehensive set of leading and lagging indicators that include process safety, occupational health, and asset integrity. The scope of our monitoring covers all elements of the OI Management Standard.

Each quarter, relevant indicators are analysed to detect early warning signs and support risk-based verification and governance. This proactive approach helps us identify potential performance issues, take steps to prevent incidents, and improve our systems. Moving forward, to mitigate health and safety risks, we will continuously work to improve the effectiveness and quality of what we monitor and how.

Incident management process

We employ an incident management process to learn and improve from safety incidents. All safety incidents are reported and classified by type and severity. Incident assessments are performed to understand root causes and effective corrective actions. Learning reviews are performed periodically to drive wider organisational learning. Appropriate levels of management are involved to resolve dilemmas related to risk mitigation. In 2024, BW Offshore reviewed and revised our incident management process to prioritise incidents for detailed cause analysis based on both severity and learning potential.

Safety management systems

The Technical function oversees systems to provide safe and secure operations through continuous improvement and defines health,

PROCESS SAFETY MANAGEMENT FRAMEWORK

The Process Safety Management Framework is integral to the Management System. This framework supports managing the risk of major accidents through suitable and effective barriers of People, Process and Plant. These barriers work together and are defined as follows:

PEOPLE
The organisation, with personnel from board room to the front lines. The training, competence and behaviours that individually and collectively contribute to mature culture and safe operations. How we conduct ourselves and implement our processes with quality.

PROCESSES
Our systems of work, including manuals, standards, procedure and practises maintained and continuously improved in the Management System.

PLANT
The equipment and systems designed into the asset. The Safety Critical Elements that have to work to either prevent a major accident or mitigate its consequences.

safety, security, environmental, quality, and asset integrity performance requirements and targets for projects and offshore operations. Safety management is supported by performance analysis, risk-based verification, and HSSE governance. A project to enhance the Management System and core documents is underway to provide users with improved tools and guidance for safe and efficient operations.

Safety training and awareness

BW Offshore maintains a comprehensive training matrix for each operating Asset. The matrix sets forth minimum standards for training and certification across HSSE topics, including:

- Industry safety and certification training
- Emergency response training.
- Hazard management and risk assessment.
- Safety systems and processes
- Occupational health training
- Specialised activities training

The training matrix is reviewed annually or as needed to address, e.g., new regulations. BW Offshore's onboarding process includes:

- **HSE induction:** All new personnel complete a detailed HSE induction covering company policies, the management system, and HSSE expectations.

- **Unit-specific inductions:** Offshore personnel attend unit-specific induction tailored to hazards, HSSE requirements, and emergency procedures of their respective units.

- **Major accident awareness training:** Comprehensive and periodic training designed to enhance awareness of major accident risks and the critical role everyone plays in preventing major accidents. In 2024, there were 152 people who attended major accident awareness training.

We survey each participant in major accident awareness training to obtain feedback and track training effectiveness. Each facilitator reviews feedback, and we review the programme annually. All facilitators attend the annual review to identify areas to improve training effectiveness based on the feedback given. We will continue the current training programmes and develop further process safety leadership training.

Performance and metrics

HEALTH AND SAFETY METRICS

S1–14 — Health and safety metrics

	Year to Year			2024 by location	
	2024	2023	2022	Offshore	Onshore
Exposure Hours (in million man-hours)					
Employee[1]	**3 282 315**	4 117 269	4 917 048	1 225 980	2 056 335
Contractor[2]	**6 910 516**	13 766 776	8 600 277	0	6 910 516
Total Exposure Hours	**10 192 831**	17 884 045	13 517 325	1 225 980	8 966 851
Fatalities[3]					
Employee	**0**	0	0	0	0
Contractor	**0**	1	0	0	0
Total Fatalities (FAT)	**0**	1	0	0	0
Employee FAT Frequency Rate	**0**	0.00	0.00	0	0
Contractor FAT Frequency Rate	**0**	0.07	0.00	0	0
Overall FAT Frequency Rate	**0**	0.06	0.00	0	0
Lost Time Injuries[4]					
Employee	**1**	1	3	1	0
Contractor	**4**	1	0	0	4
Total Lost Time Injuries (LTI)	**5**	2	3	1	4
Employee LTI Frequency Rate	**0.3**	0.24	0.61	0.82	0
Contractor LTI Frequency Rate	**0.58**	0.07	0.00	0	0.58
Overall LTI Frequency Rate	**0.49**	0.11	0.22	0.82	0.45
Total Recordable Injuries[5]					
Employee	**4**	8	5	3	1
Contractor	**5**	8	1	0	5
Total Recordable Injuries (TRI)	**9**	16	6	3	6
Employee TRI Frequency Rate	**1.22**	1.94	1.02	2.45	0.49
Contractor TRI Frequency Rate	**0.72**	0.58	0.12	0	0.72
Overall TRI Frequency Rate	**0.88**	0.89	0.44	2.45	0.67

	Year to Year			2024 by location	
	2024	2023	2022	Offshore	Onshore
High Potential Incidents[6]					
Employee	**0**	4	5	0	0
Contractor	**3**	5	5	0	3
Total High Potential Incidents (HPI)	**3**	9	10	0	3
Employee HPI Frequency Rate	**0**	0.97	1.02	0	0
Contractor HPI Frequency Rate	**0.43**	0.36	0.58	0	0.43
Overall HPI Frequency Rate	**0.29**	0.50	0.74	0	0.33
Occupational Illnesses[7]					
Employee	**0**	0	0	0	0
Occupational Illnesses Frequency Rate	**0**	0.00	0.00	0	0

Notes to table:

1 Direct hires, part-time employees, locally hired agency staff (direct contractors), in the fabrication sites, offices and offshore workers, i.e., all people working for BW Offshore.
2 Any person employed by a contractor, or contractor's sub-contractor(s), who is directly involved in execution of prescribed work under a contract with BW Offshore.
3 Person who died as a result of a work-related incident.
4 A fatality or lost work day case. The number of LTIs is the sum of fatalities and lost work day cases.
5 The sum of fatalities, lost work day cases, restricted work day cases and medical treatment cases.
6 An incident that could have realistically resulted in one or more fatalities, but the actual consequence is of lesser severity.
7 Any abnormal condition or disorder, or any fatality other than one resulting from a work-related injury, caused by prolonged or repeated exposure to environmental factors associated with employment. May be caused by inhalation, absorption, ingestion, or direct contact with a hazard, as well as exposure to physical and psychological hazards.

'Overall' = 12 months sum of BWO Employee and Contractor events in the category multiplied by 1 million divided by the 12 months sum of BWO Employee and Contractor Exposure Hours

Exposure hours:
- Offshore Employees: 12 hours per day for each Person Onboard (POB) at any of BWO's offshore facilities, based on the unit's average POB.
- Onshore Employees: Average working hours of permanent employees and direct hires, plus hours for contract hires working on Projects.
- Onshore Contractors: Exposure hours from shipyard contractors and subcontractors involved in BWO projects.

ESRS S1 OWN WORKFORCE

Working conditions

BW Offshore recognises the importance of respecting human rights and providing decent working conditions for employees, contractors, and other workers.

Our 2024 double materiality assessment identified material impacts related to mental health, well–being, work–life balance, and employee redundancy. Our understanding and management of these impacts are outlined in this chapter.

Material impacts, risks and opportunities

S1.SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Sub-topics/Sub-sub-topics	Material impact, risk, or opportunity	Category	US	OO	DS	Short term	Medium term	Long term
Working conditions	Mental health, well-being, and work-life balance	Negative potential impact		x		x	x	
	Employee redundancy	Negative potential impact		x		x		

Note to table:
Upstream (US): Includes activities related to the initial stages of the value chain, such as suppliers providing products or services used in the development of the undertaking's products or services.
Own Operations (OO): Refers to activities within the reporting company, including its use of human resources and other internal processes.
Downstream (DS): Encompasses entities that receive products or services from the undertaking, such as distributors and customers

MENTAL HEALTH, WELL-BEING AND WORK-LIFE BALANCE – NEGATIVE POTENTIAL IMPACT

Context

Potential negative impact on mental health, well-being, and work-life balance occurs primarily within BW Offshore's offshore operations, where employees (both permanent and on temporary contracts) undertake rotational work patterns on FPSOs. Crew on offshore rotation work twelve-hour shifts, seven days per week for the duration of each rotation. The length of each rotation varies by unit and individual contract. Nevertheless, rotations can affect physical and mental health and impact personal relationships. These challenges are directly linked to our strategy of managing continuous production on offshore facilities, and BW Offshore is directly involved in this impact through our duty-holder responsibilities on FPSOs and our control over employment practices.

Stakeholders and consequences

In the short term, negative impacts related to well-being include fatigue, stress, reduced mental health and morale, and disruptions to personal relationships. Short-term impacts may improve during periods off-rotation. Over medium and long terms, rotational and shift work can lead to mental health issues such as anxiety, burnout, and depression. Personal relationships may suffer, as well. The long-term physical health impacts of shift and rotational work include cancer, cardiovascular disease, gastrointestinal disorders, and metabolic disorders, such as obesity and diabetes.

Action

Risks related to this impact include potential high staff turnover, errors, accidents, or injuries due to fatigue, and productivity losses. To mitigate these risks, BW Offshore has implemented measures designed to address well-being. October is well-being month with activities and resources to support mental health. Offshore rotations do not exceed five weeks (three weeks in the United Kingdom), reduced from six to five weeks, globally. Workforce committees, including Offshore Safety Committees and Work Environment Committees, engage workers in development and adaption of welfare and safety policies. Enhanced leave balance planning and culture assessments also support staff well-being.

EMPLOYEE REDUNDANCY – POTENTIAL NEGATIVE IMPACT

Context

Potential negative impacts of employee redundancy are concentrated within BW Offshore's own operations. Our workforce may be affected by medium- to long-term business transformation, divestments, and operational changes. Redundancy is directly linked to BW Offshore aligning our business with evolving market demands and operational priorities. Our business transformation involves jobs that may no longer align with business needs. BW Offshore is directly involved in this impact through our role as employer.

Stakeholders and consequences

For affected individuals, redundancies can result in financial insecurity, loss of identity, and emotional stress. Families and communities may be affected similarly.

These impacts may manifest as immediate financial and emotional strain for those made redundant, and affected employees may face challenges over the short term in finding comparable employment or adapting to new career paths, especially in specialised roles with limited opportunities in their job markets.

Action

Impacts of redundancies on BW Offshore include potential reputational risks, reduced employee morale, and loss of institutional knowledge. To mitigate these effects, we have implemented measures, such as re-skilling and upskilling programmes, particularly for engineering roles that can be adapted to new business areas. Internal recruitment is preferred for available open roles, and transparent communication with affected employees is core to our approach. Financial compensation and career transition support are offered in some cases, helping to mitigate the impacts on employees.

These actions align with BW Offshore's commitment to fair employment practices and operational continuity while addressing the workforce implications of our business transformation.

Management of impacts, risks and opportunities

POLICIES RELATED TO HUMAN RIGHTS AND FAIR EMPLOYMENT

S1–1 Policies related to own workforce

BW Offshore has established a comprehensive framework of policies and procedures to support our commitments to upholding human rights and decent working conditions:

- **Code of Ethics and Business Conduct:** The Code sets forth BW Offshore's commitment to preventing and mitigating adverse human rights impacts, both within our own operations and across the value chain. It sets expectations for ethical conduct and responsible business practices. Further details can be found in the Governance Section of the Sustainability Statement (see page 117).

- **Human Rights and Decent Working Conditions Policy:** BW Offshore is committed to respecting human rights and providing decent working conditions. This policy prohibits forced labour, child labour, modern slavery, and human trafficking and outlines expectations for business partners. It applies to BW Offshore, our subsidiaries, and those working for or on behalf of these entities.

- **Human Capital Policy:** This policy reinforces BW Offshore's commitment to being an employer of choice by fostering a respectful and rewarding workplace. The policy applies to all BW Offshore employees.

The Human Capital (HC) function manages implementation of and sets processes and procedures for the Human Capital Policy. The Code and the Human Rights and Decent Working Conditions Policy are implemented under the lead of the Head of Corporate Integrity.

The UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises inform our approach to human rights and fair employment. Our programme includes:

- **Policy Framework:** BW Offshore's commitment to human rights is embedded in key governance documents. These documents undergo regular reviews and are supported communications, awareness, training, and monitoring.

- **Human Rights Due Diligence:** BW Offshore has conducted a human rights assessment, to identify possible human rights risks within our operations and across our value chain. This assessment is further detailed in S2–4 (see page 111).

- **Training and Competence Building:** All personnel receive human rights awareness training.

- **Reporting and Transparency:** BW Offshore publishes an annual statement in compliance with the Norwegian Transparency Act and UK Modern Slavery Act, which include information about our human rights due diligence and actions taken and planned. These statements are approved by the Board of Directors.

- **Grievance Mechanisms:** Employees and other stakeholders can report breaches of law or corporate policies, including human or labour rights violations, through our confidential SpeakUp Channel. This reporting mechanism and BW Offshore's grievance procedure are described in detail on page 94.

- **Monitoring and Evaluation:** BW Offshore monitors adherence to human and labour rights by tracking cases raised through internal reporting mechanisms, site visits, and audits of suppliers.

- **Stakeholder Engagement and Collaboration:** BW Offshore engages with key stakeholders who may be materially impacted by our activities, as detailed page 39.

ENGAGING WITH OWN WORKFORCE

S1-2 Processes for engaging with own workforce and workers' representatives about impacts

BW Offshore gathers feedback on working conditions through regular communication between worker representatives and management, as well as direct engagement with employees via mechanisms such as workforce surveys, townhalls, and performance dialogues. Engagement with Union engagements follow Collective Bargaining Agreements (CBAs) agreements. General Managers or Asset Managers lead respective staff engagements for areas within their remits.

BW Offshore encourages personnel to take responsibility for their own engagement and contribute positively to company culture. Line managers inspire and guide teams, and the CEO and Senior Management are ultimately responsible for fostering engagement.

Annual performance dialogues provide feedback on performance, achievements, and learning. A biennial survey on leadership behaviours collects insights to inform decision-making, actions, metrics, and targets.

We LEAD Recognition Programme

BW Offshore's We LEAD Recognition Programme recognises and rewards positive behaviours. Employees may nominate candidates for quarterly awards across several categories. In October 2024, BW Offshore celebrated our third annual We LEAD Day during which we celebrated achievements, held engagement sessions globally, and held an award ceremony in Singapore for quarterly award winners.

2024's theme was Speak Up. Employees participated in group discussions on conformity and the importance of speaking up. Corporate Integrity summarised feedback from the group sessions and presented it to the Senior Management. The event reinforced BW Offshore's commitment to a safe and supportive workplace, fostering psychological safety through open communication, learning from failure, and continuous improvement (see page 84 on safety culture).

We LEAD with Integrity

LEVERAGING THE TEAM

We trust each other and recognise that we are stronger as a team. We commend contributions and make each other better, embracing diversity and collective competencies to achieve the best result.

EXCELLENCE

We strive to do everything to the best of our abilities and we always seek to improve. We see sharing of failure as a sign of strength and an opportunity to learn.

ACCOUNTABILITY

Each of us care about what we do and the people we work with. We take ownership to understand and ensure positive outcomes for all our stakeholders.

DEVELOPMENT

We are open and actively seek opportunities to learn, inspiring individual growth and enabling progress. We continuously seek feedback from others to develop and improve.

WITH INTEGRITY

Integrity is the definition of who we are and what we do. It is the sum of our values. We are committed to speaking up and making the right decisions to resolve any dilemma we face.

GO BACK

S1–3 Processes to remediate negative impacts and channels for own workforce to raise concerns

BW Offshore provides multiple channels personnel to report concerns, including line managers, the Head of Corporate Integrity, a dedicated email address, or the SpeakUp Channel. The Head of Corporate Integrity monitors SpeakUp Channel trends and shares quarterly updates with senior leadership and the Audit Committee (see page 109).

BW Offshore's SpeakUp Channel, hosted by a third party, is available equally to internal and external parties. Reports may be submitted anonymously at the reporter's choice and are always confidential. The SpeakUp Channel accepts reports via web or telephone, with support available in all operational languages (see page 118 on grievance mechanisms).

Corporate Integrity reviews all reports to the SpeakUp Channel. Investigations are conducted, when needed, by appropriate internal or external investigators based on the concern's nature. Investigation outcomes may include disciplinary or remedial actions, policy or procedure changes, communication, or training. To promote awareness, the SpeakUp Channel is highlighted in town halls, onboarding, and mandatory training. Retaliation against reporters is strictly prohibited.

ACTIONS AND RESOURCES RELATED TO WORKING CONDITIONS

S1–4 Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

S1–5 Targets related to managing material impacts, advancing positive impacts and managing risks and opportunities

BW Offshore do not currently have measurable outcome–oriented targets for working conditions in line with ESRS requirements, but are committed to continuously improving management of material impacts in alignment with relevant policies. We allocate resources, including financial investments, training programmes, health and wellness initiatives, and support services, to effectively manage the material impacts related to working conditions. We also have confidential support available to staff in the form of employee assistance programmes (EAPs). The Human Capital function oversees effective processes to protect the interests of BW Offshore and employees. Confidential internal budget and resource costs are excluded from this statement.

Improving mental health and wellbeing

BW Offshore has implemented wellbeing and inclusion initiatives to improve our working environment, including a mental health and wellbeing programme that is accessible to all employees. BW Offshore identifies appropriate wellbeing initiatives through a proactive, data–driven approach and analyses workforce data, such as absenteeism and turnover rates, to detect potential stressors. Open communication between leaders and the HC department, along with input from employee representatives, helps make initiatives relevant and responsive to employees' needs.

October is designated as Wellbeing Month, during which BW Offshore, in collaboration with BW Group affiliates, organises activities, workshops, and webinars on relevant topics to promote learning, development, and open discussions. Recordings of seminars are made available on the intranet for onshore and offshore employees to access at their convenience.

Employee assistance programmes offer short–term counselling for personal or work–related challenges across all locations, with details highlighted during Wellbeing Month and accessible on the intranet. To support work–life balance, BW Offshore provides family–related leave to all employees and accommodates local regulatory differences to address the needs of employees and their families.

In 2025, we will expand on our mental health initiatives as part of Wellbeing Month. In addition, we will conduct a culture survey to gather insights on safety performance and culture maturity. Future initiatives include an employee engagement survey, metrics to evaluate mental health support services, and data analytics to measure effectiveness and uptake.

Training to upskill and re-skill

To support their transition, employees who are made redundant receive financial compensation linked to their years of service with BW Offshore. In Singapore, the Shipbuilding and Marine Engineering Employees' Union may negotiate additional support, such as a lump sum training grant, subject to agreement with BW Offshore. This grant is managed by the union and helps affected employees upskill through training programmes.

BW Offshore also prioritises workforce development through targeted training initiatives that equip employees to adapt to industry changes and future opportunities. We identify appropriate training opportunities for redundant employees and communicate those opportunities during the redundancy process.

Our e–learning modules include post–training tests to measure knowledge retention before issuing completion certificates. We also rely on managerial feedback, productivity improvements, and regular performance dialogues. A dedicated training code in our time registration system tracks participation and time spent, providing insights into engagement. All training certificates are stored in our employee management system, enabling us to track training engagements.

Performance and metrics

EMPLOYMENT METRICS

S1–6 Characteristics of the undertaking's employees

S1–7 Characteristics of non–employees in the undertaking's own workforce

Onshore Workforce

Gender/Employment category	Africa	Americas	APAC	EMA	Grand Total
Permanent Onshore Personnel	21	13	279	174	487
Female	9	5	89	52	155
Male	12	8	190	122	332
Direct Hire Contract Onshore Personnel	1	1	103	3	108
Female			18	1	19
Male	1	1	85	2	89
3rd Party Consultant Onshore Personnel		3	11	11	25
Female		1	1	2	4
Male		2	10	9	21
Resource Onshore Personnel				1	1
Male					
Consultant Onshore no hours			3	1	4
Female					
Male			3	1	4
Grand Total	22	17	393	188	620

Notes to tables:
- The personnel statistics are based on the year–end headcount from December 2024.
- The most common type of non–permanent personnel are contract and consultant staff hired in for a time specific period. Contract personnel have direct contracts with the company, while consultants are employed via third–party agreements.
- Offshore, other is a group of employees that are not designated to a specific work location and work globally.
- Non–guaranteed hours employees are less than 1% of workforce and not separately reported.
- Part–time staff is not separately reported. The total number of part time staff is less than 1% of the total workforce.
- Headcount numbers are based on year–end statistics derived from our HR systems. We are currently in the transition from one system to a new system and used the new system to quality check data from the old system.

Offshore Workforce

Gender/Employment category	Africa	Americas	APAC	Europe	Other	Grand Total
Permanent EXPAT Offshore Personnel	33	102	84	10	16	245
Female			4			4
Male	33	102	80	10	16	241
Direct Hire Contract EXPAT EXPAT Offshore Personnel	10	6			7	23
Male	10	6			7	23
3rd Party Consultant EXPAT Offshore Personnel	4		2			6
Female	1					1
Male	3		2			5
Permanent NATIONAL Offshore Personnel	74	8		118	8	208
Female				3	2	5
Male	74	8		115	6	203
Direct Hire Contract NATIONAL Offshore Personnel	3					3
Male	3					3
3rd Party Consultant NATIONAL Offshore Personnel	3			20		23
Female				5		5
Male	3			15		18
Grand Total	127	116	86	148	31	508

DIVERSITY METRICS

Gender Balance in Board of Directors

	2024		2023	
	Number	Percentage	Number	Percentage
Female	1	20%	1	20%
Male	4	80%	4	80%
Grand Total	5	100%	5	100%

Gender Balance in Senior Management

	2024		2023	
	Number	Percentage	Number	Percentage
Female	2	33%	1	17%
Male	4	67%	5	83%
Grand Total	6	100%	6	100%

Gender Balance in Total Workforce

	2024		2023	
	Number	Percentage	Number	Percentage
Female	193	17%	219	18%
Male	935	83%	970	82%
Grand Total	1128	100%	1189	100%

Age Distribution in Onshore Workforce

	Number	Percentage
<30	42	7%
30–50	347	56%
50<	231	37%
Grand Total	620	100%

Age Distribution in Offshore Workforce

	Number	Percentage
<30	13	3%
30–50	322	63%
50<	173	34%
Grand Total	508	100%

Gender Balance in Total Workforce per Region

Gender	Africa	Americas	APAC	Europe	Middle East	Global team	Total
Female	10	6	112	62	1	2	193
Male	139	127	367	270	3	29	935
Total	149	133	479	332	4	31	1128

Gender Balance in Total Workforce per Country

Gender	Australia	Brazil	France	Gabon	Mexico	Netherlands	Norway	Singapore	UAE	UK	USA	Global team	Total
Female	4	2	2	10		2	40	108	1	18	4	2	193
Male	6		4	139	1	1	100	361	3	165	126	29	935
Total	10	2	6	149	1	3	140	469	4	183	130	31	1128

Gender Balance in Onshore Workforce per Region

Gender	Africa	Americas	APAC	Europe	Total
Female	9	6	108	55	178
Male	13	11	285	133	442
Total	22	17	393	188	620

Gender Balance in Onshore Workforce per Country

Gender	Australia	Brazil	France	Gabon	Mexico	Netherlands	Norway	Singapore	UAE	UK	USA	Total
Female	4	2	2	9		2	144	104	1	10	4	178
Male	6		4	13	1	1	100	279	3	25	10	442
Total	10	2	6	22	1	3	140	383	4	35	14	620

Notes to tables:
Employees included in "Global Team" are typically offshore roving employees supporting the entire fleet, and thus have no fixed location.

Gender Balance in Offshore Workforce per Region

Gender	Africa	Americas	APAC	Europe	Global team	Total
Female	1		4	8	2	15
Male	126	116	82	140	29	493
Total	127	116	86	148	31	508

Gender Balance in Offshore Workforce per Country

Gender	Gabon	UK	Singapore	USA	Global Team	Total
Female	1	8	4		2	15
Male	126	140	82	116	29	493
Total	127	148	86	116	31	508

Turnover Onshore

	2024	2023	2022
Number of leavers	63	75	73
Rate	12.49%	13.1%	12.6%

Turnover Offshore

	2024
Number of leavers	41
Rate	9.83%

Notes to tables:
- Turnover is calculated based on permanent staff and includes both voluntary and involuntary leavers.
- The turnover percentage is calculated based on the total number of leavers for the year divided by the average number of permanent employees for the year. High turnover is partly caused by the divestment of the fleet according to company strategy.

ESRS S1 OWN WORKFORCE

Equal treatment and opportunities

BW Offshore is committed to fostering a workplace that values diversity, inclusion, and equal opportunities. We aim to attract, retain, and empower skilled individuals to contribute to the organisation's success and achieve their full potential.

Our 2023 materiality assessment identified impacts related to pay gaps, unequal treatment, unconscious bias, and professional development. Our understanding and management of these issues are described in this chapter.

Material impacts, risks and opportunities

S1.SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Sub-topics/Sub-sub-topics	Material impact, risk, or opportunity	Category	US	OO	DS	Short term	Medium term	Long term
Equal Treatment and Opportunities	Pay gaps affecting women	Potential negative impact		x		x		
	Unequal treatment and unconscious bias	Potential negative impact		x		x	x	x
	Professional development	Potential positive impact		x		x		

Note to table:
Upstream (US): Includes activities related to the initial stages of the value chain, such as suppliers providing products or services used in the development of the undertaking's products or services.
Own Operations (OO): Refers to activities within the reporting company, including its use of human resources and other internal processes.
Downstream (DS): Encompasses entities that receive products or services from the undertaking, such as distributors and customers

PAY GAPS AFFECTING WOMEN – POTENTIAL NEGATIVE IMPACT

Context

Potential negative impacts from pay gaps originate within our own operations and amongst own employees, particularly in technical and leadership roles with historical underrepresentation of women. The pay gap refers to the difference in average gross hourly earnings between men and women, rather than unequal pay for equal work. Structural inequities in the O&G sector contribute to these disparities, particularly through differences in role seniority and representation in higher-paid positions. BW Offshore is directly responsible for addressing these disparities, which are embedded in our business through salary policies, recruitment processes, and internal promotions.

We monitor the ratio of basic salary and remuneration of women to men for permanent employees. Due to the over-representation of female workers in certain job types and levels, often with lower market value than positions where male workers are overrepresented, the average salary of women is lower than the average salary of men.

BW Offshore practices same pay for same jobs, and specifically considers gender pay-gaps for comparable positions as part of the annual remuneration review process.

Stakeholders and consequences

Pay disparities disproportionately affect women within our workforce. In the short term, female employees experiencing salary discrepancies may feel undervalued, potentially leading to reduced job satisfaction, motivation, and engagement —especially when contributions are not reflected equally in compensation. Over time, persistent pay gaps may result in retention and recruitment challenges, particularly in technical and leadership positions where more competitive remuneration is available elsewhere.

Action

Pay disparities affecting women may undermine workforce morale, retention, and our reputation as an equitable employer. To mitigate these effects, we are implementing a targeted approach to improve representation in higher-paid roles. This includes career development initiatives, internal mobility programmes, and transparent promotion pathways to ensure women have equitable access to leadership positions.

Additionally, our job grading system — currently under development— aims to improve transparency in compensation structures and systematically review pay discrepancies. As part of the salary review process, the Compensation and Benefits team and HC managers assess potential structural imbalances in earnings across employee groups. The job grading system is expected to be completed within

2025 and supports our goal of fostering an equitable workforce in which pay gaps do not undermine operational performance or employee satisfaction.

UNEQUAL TREATMENT AND UNCONSCIOUS BIAS – POTENTIAL NEGATIVE IMPACT

Context

The potential negative impact of unequal treatment and unconscious bias is concentrated within our own workforce and affects both offshore and onshore workers. BW Offshore is proud of our multinational, multicultural, multi-faceted workforce.

Unconscious bias may arise at any time and in any context where workers of mixed backgrounds, opinions, or beliefs work together. For instance, offshore employees may experience unequal treatment based on gender or nationality, and onshore employees may encounter unconscious bias during recruiting, promotions, and reorganisations. These issues are directly tied to our global business structure.

Our role as an employer places us directly at the centre of this impact, and we have the responsibility to foster an equitable workplace and mitigate discriminatory practices.

STAKEHOLDERS AND CONSEQUENCES

In the short term, affected employees may experience immediate psychological impacts, such as stress, anxiety, and reduced confidence in their workplace environment. Over the medium term, these effects can accumulate and result in disengagement, increased absenteeism, or turnover, particularly for women (onshore and offshore) and minorities in offshore positions. In the long term, if unaddressed, unequal treatment may erode trust BW Offshore and perpetuate systemic inequities, diminish diversity, and aggravate employee recruiting and retention.

Action

Incidents of unequal treatment or unconscious bias can affect employee morale, productivity, and retention and lead to increased turnover, reduced engagement, and reputational risks for BW Offshore. To counteract these effects, we have implemented several initiatives, including the Diversity, Inclusion and Equity (DI&E) Statement, a Working Conditions Policy, and mandatory DI&E e-learning that has been completed by 80% of the onshore workforce. Working Environment Committees and Offshore Safety Committees provide forums for addressing workforce concerns. Leadership training programmes aim to build awareness of unconscious bias and foster inclusive behaviours.

PROFESSIONAL DEVELOPMENT – POTENTIAL POSITIVE IMPACT

Context

This potential positive impact is concentrated within our own operations and encompasses all of our own employees. This impact arises from our efforts to retain and grow talent by providing structured career development programmes, personalised development plans, and performance dialogues. As a direct employer, BW Offshore has full control over implementing these initiatives, which are integral to retaining a skilled and motivated workforce.

Stakeholders and consequences

Professional development opportunities have a positive effect on employees and improve their skills, career progression, and job satisfaction. In the short term, employees benefit from structured learning opportunities and increased engagement. Increased knowledge and skills encourage curiosity, creativity, and innovation, which benefit BW Offshore in productivity, problem solving, and continuity. Workers who have enhanced skills and internal career opportunities are more loyal and have increased confidence, competence, and resilience.

Action

Professional development contributes positively to BW Offshore's ability to attract, retain, and engage employees. Organised programmes for career and personal development, combined with annual performance dialogues, enhance employee satisfaction, reduce turnover, and improve workforce capabilities. These efforts align with BW Offshore's strategic priority to maintain a high-performing and agile organisation capable of adapting to industry demands.

Management of impacts, risks and opportunities

POLICIES RELATED TO EQUAL TREATMENT AND OPPORTUNITIES FOR ALL

S1–1 Policies related to own workforce

BW Offshore is committed to fostering a workplace culture that values and promotes diversity, inclusion, and equal employment opportunities while ensuring a work environment free from harassment and hostility. Several governance documents support this commitment:

- **Human Rights and Decent Working Conditions Policy:** BW Offshore upholds the fundamental rights and dignity of all individuals. This policy outlines our zero–tolerance stance on workplace misconduct, including harassment, violence, and discrimination.

- **Diversity, Inclusion and Equity Policy Statement:** This policy underscores BW Offshore's commitment to cultivating a diverse and inclusive workplace where all employees, regardless of background, can contribute meaningfully. It promotes respect, cultural awareness, and collaboration across the organisation. The policy applies to both employees and non–employees, with implementation overseen by the HC function. The statement is signed by the CEO, which reinforces leadership accountability.

- **Code of Ethics and Business Conduct:** The BW Offshore Code of Ethics and Business Conduct ("the Code") is a foundational governance document that reflects our commitment to respect individuals, uphold human rights, and maintain fair and ethical employment practices. For more information on the Code, (see page 117).

- **Human Capital Policy:** The Human Capital Policy sets forth BW Offshore's aspiration to be an attractive employer with a rewarding workplace. We expect mutual respect, both for the individual employee and for our company, throughout employment. We provide equal opportunities regardless of gender, nationality, ethnicity, age, religion, sexual orientation, or other protected characteristics. Our Human Capital Policy recognises both permanent and temporary employees as integral to the company's success and mandates fair treatment at all stages of employment.

- **Career Development and Promotion Policy:** This policy establishes a framework to consistently and fairly manage career development and promotions across BW Offshore. It applies to all permanent employees and is implemented by the HC function.

Governance and Policy Implementation

The HC function oversees the implementation of the Human Capital Policy and the Diversity, Inclusion, and Equity Policy Statement and establishes processes and procedures to support their execution. The Code and the Human Rights and Decent Working Conditions Policy are implemented under the leadership of the Head of Corporate Integrity. Internal stakeholders and employees are consulted in policy development, and all employees are encouraged to provide feedback. Policies are reviewed regularly, and policy owners consider feedback during this process.

Commitment to Equal Treatment and Non-Discrimination

BW Offshore is dedicated to fostering a culture of respect and dignity for all individuals.

We strictly prohibit any form of unlawful discrimination, including but not limited to race (encompassing colour, nationality, and ethnic or national origin), social or economic status, age, natal sex, sex characteristics, sex reassignment, sexual orientation, personal presentation, marital or civil partnership status, family structure, pregnancy or parental status, religion, political beliefs, disability, or any other status protected by applicable laws.

ACTIONS TAKEN AND PLANNED

S1-4 Taking action on material impacts on own workforce, and approached to managing risks and pursuing opportunities related to own workforce, and effectiveness of those actions

S1-5 Targets related to managing material impacts, advancing positive impacts and managing risks and opportunities

BW Offshore does not have measurable outcome-oriented targets on equal treatment, in line with ESRS requirements. However, BW Offshore is committed to improving gender balance in our graduate programme by increasing the representation of women in historically male-dominated O&G roles. Our efforts reflect our dedication to fostering diversity and inclusion within our workforce, as outlined in our Career Development and Promotion Policy.

We track progress through existing reporting systems, including an annual review of gender representation in recruitment, a headcount analysis, and an annual presentation to Senior Management on programme outcomes, including gender-related trends.

Ensuring fair remuneration

BW Offshore reviews employee wages, pay scales and union agreements annually to support fair pay and living wages. We apply a minimum living wage for direct hires in each operating location. Living wage calculations account for taxes, social security contributions, and costs for housing, food, and essential goods. This methodology aligns with standards referenced by the ILO and Employment Conditions Abroad (ECA).

We use a merit-based framework to deliver total compensation that reflects employee contributions and performance. The ratio of basic salary between women and men for permanent employees is monitored as part of the annual remuneration process. Currently, there is no specific percentage allocated to sustainability-related targets and/or impacts within our incentive schemes. The evaluation and payout of incentives are determined at the discretion of the Board.

Promoting equal opportunities and professional development

BW Offshore invests in professional development through defined policies and structured programmes, offering targeted training, mentorship, and leadership development to foster employee growth.

Career development and promotion

BW Offshore's career development and promotion promotes diversity, equity, and inclusion and provides fair opportunities for all employees. Promotions and development plans avoid disparities based on factors such as disabilities, pregnancies, or family situations.

Young Talent Programme

The Young Talent Programme attracts and develops young professionals through training, mentorship, and hands-on experience. Participants receive tailored development plans, challenging project assignments, and collaboration with experienced professionals. The programme builds a skilled talent pipeline for BW Offshore's future.

Performance management

Employee performance management aligns individual and organisational goals. Annual performance and development dialogues cover past performance, future objectives, development plans, employee aspirations, and opportunities improvement.

Professional development programmes

In 2024, in collaboration with BW Group, we offered development initiatives for employees such as:

- **Explorer Programme:** This 6-month modular programme is designed specifically for people leaders and provides an opportunity for participants to understand their personal leadership styles and their impact on teams and to enhance their leadership capabilities.

- **Voyager Programme:** This programme is designed for high-potential employees, who are preparing for leadership roles, and strengthens BW Offshore's leadership pipeline. It includes advanced training, strategic projects, and leadership development. Participants receive personalised development plans, executive mentorship, and opportunities to lead projects.

Performance and metrics

METRICS

S1-13 Training and Skills Development Metrics
S1-15 Work-Life Balance Metrics
S1-16 Remuneration Metrics

Performance Dialogues

(completion rate)	2024	2023	2022
Female	**47.7%**	55.1%	83.9%
Male	**40.6%**	58.1%	88.2%
Employees who have completed Performance Dialogues	**41.9%**	57.5%	87.6%

Time Spent on Training

(average hours per employee)	2024	2023	2022
Onshore	**9.6**	12.6	7.5
Female	**12.7**	16.3	-
Male	**8.3**	10.5	-
Offshore	**72.4**	46.9	43.5
Female	**55**	44.5	-
Male	**73**	49.6	-

Notes to table:
- Training activities are registered by time recording in IFS for onshore employees, capturing external courses.
- External courses for offshore employees (such as BOSIET, HUET etc.) are also included in the training overview.
- Performance review data captures all permanent onshore personnel employed before 31 December 2024.
- Offshore data pertains to employees on permanent rotation (both permanent and fixed-term contracts on a permanent rotation onboard the units) and 3rd party nationals employed before 31 December 2024.

Family-related leave

	2024	2023
Onshore workforce entitled to take family-related leave	**100%**	93.7%
Utilisation of entitled family-related leave	**2.26%**	2.7%
Female	**1.69%**	4.0%
Male	**2.49%**	2.1%

Notes to table:
- All employees under direct contract with BW Offshore are entitled to family-related leave. It is the employer's responsibility to provide leave in accordance with applicable regulations; thus, family-related leave for third-party consultants is managed by their respective employers.
- Family-related leave metrics are recorded for onshore personnel. Due to the nature of offshore rotation-work, family-related leave is not. No female employees offshore have requested maternity leave. data is unavailable for operations in Nigeria.

Compensation Metrics

	2024	2023	2022
Remuneration ratio[1]	**7.2:1**	8.6:1	8.9:1
Gender pay-gap[2]	**63%**	59%	59%

Notes to table:
[1] The annual total remuneration ratio is calculated from the highest paid individual to the median annual total remuneration for all employees (excluding the highest-paid individual).
[2] Pay-gap is defined as the average salary of women vs. the average salary of men (where the salary of men is 100%).
- The data has been compiled from the company personnel system and includes remuneration data for permanent employees and employees on timebound contracts (direct hire contract employees). The countries of employment are Singapore, Norway, the United Kingdom, the United States, Australia, Brazil, France, Gabon, Netherlands, and the United Arab Emirates.
- Annual gross salaries (including fixed allowances) have been converted from local currency to USD using the exchange rate from OANDA.com on 31 December 2024.

ESRS S2

Workers in the value chain

BW Offshore relies on business partners and suppliers to maintain our operations. Our double materiality assessment identified material impacts on value chain workers related to working conditions, equal treatment, and other work-related rights. Our understanding and management of these concerns follows.

Material impacts, risks and opportunities

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Sub-topics/Sub-sub-topics	Material impact, risk, or opportunity	Category	US	OO	DS	Short term	Medium term	Long term
Working conditions	Decent working conditions in the supply chain	Potential negative impact	x			x	x	x
Equal treatment and opportunities for all	Harassment and assault in the supply chain	Potential negative impact	x		x	x	x	x
Other work-related rights	Forced labour in the supply chain	Potential negative impact	x			x	x	x

Note to table:
Upstream (US): Includes activities related to the initial stages of the value chain, such as suppliers providing products or services used in the development of the undertaking's products or services.
Own Operations (OO): Refers to activities within the reporting company, including its use of human resources and other internal processes.
Downstream (DS): Encompasses entities that receive products or services from the undertaking, such as distributors and customers

DECENT WORKING CONDITIONS IN THE SUPPLY CHAIN – POTENTIAL NEGATIVE IMPACT

Context

Supply chain workers in BW Offshore's upstream and downstream value chain, including construction yard staff and third-party contractors, are susceptible to discriminatory practices, low wages, and excessive working hours. These issues are most pronounced among upstream supply chain workers, particularly those in regions with weaker labour protections.

Discriminatory practices can result in low wages, job insecurity, and poor working conditions, which negatively affect workers' physical and mental well-being. Contracted workers in roles such as general maintenance and catering services are particularly vulnerable due to their typically lower skills, informal employment status, limited access to protections, and higher exposure to exploitative practices. Our reliance on indirect workers connects us to these impacts through our procurement practices and selection criteria and processes.

Stakeholders and Consequences

Poor working conditions may affect supply chain workers, particularly their financial stability, health, and overall well-being. In the short term, low wages and excessive working hours may result in physical exhaustion, mental stress, and reduced job satisfaction. Fatigue may lead to workplace errors or injuries. Over the medium term, workers may experience chronic physical and mental health problems, financial difficulties, and breakdown in personal relationships due to, e.g., poverty or (lack of) presence. In the long term, persistently poor working conditions could entrench systemic inequities, diminish workers' quality of life, perpetuate exploitative practices, and undermine efforts to improve living standards in affected communities.

Action

The effects of poor working conditions in our supply chain pose potential risks to BW Offshore's reputation, stakeholder relationships, and long-term supply chain resilience. To mitigate these risks, BW Offshore has implemented labour standards in our vendor terms and conditions and, in 2021, created a living wage programme. We monitor high-risk suppliers through assessments and stakeholder engagements.

HARASSMENT AND ASSAULT IN THE SUPPLY CHAIN – POTENTIAL NEGATIVE IMPACT

Context

Harassment and assault of supply chain workers, particularly those at construction yards, integration yards, and module fabrication sites, are material negative impacts concentrated in the upstream and downstream segments of BW Offshore's value chain. These incidents predominantly affect yard staff and third-party contractors working in isolated, high-pressure environments where manual labour and night shifts are common. Such incidents compromise the well-being and morale of affected workers and may lead to heightened stress, decreased psychological safety, and diminished quality of life.

These impacts are exacerbated by cultural and systemic factors, including weak local enforcement of labour standards and inadequate grievance mechanisms. BW Offshore's connection to this impact arises through our reliance on third-party contractors and risks associated with practices at third-party facilities in higher-risk activities and locations.

Stakeholders and consequences

The primary consequences of this impact are borne by vulnerable groups, including women, within BW Offshore's supply chain. In the short term, incidents of harassment can lead to acute stress, reduced morale, and decreased productivity among affected individuals. Over the medium term, persistent issues may result in heightened turnover rates, poor workforce cohesion, and a deterioration in working conditions across the value chain. In the long term, cultural and systemic challenges that allow harassment to persist may lead to entrenched inequalities and long-lasting psychological effects on workers, further perpetuating vulnerabilities in the workforce.

Action

The effects of this impact on BW Offshore include reputational risks, potential disruption to supply chain efficiency, and challenges in aligning with global expectations for ethical labour practices.

To mitigate these risks, BW Offshore has implemented measures such as the Human Rights and Decent Working Conditions Policy, the Supplier Code of Ethics and Business Conduct, and the Ethical Employment Practice Guidelines. High-risk contractors, including shipyards and module fabricators, are subject to audits aimed at identifying and addressing gaps in their labour practices. While these measures provide a foundation for mitigation, gaps remain in monitoring the full extent of harassment risks among third-party contractors and their sub-suppliers.

FORCED LABOUR IN THE SUPPLY CHAIN – POTENTIAL NEGATIVE IMPACT

Context

The potential negative impact of forced labour is concentrated upstream in BW Offshore's supply chain, particularly within FPSO construction and integration yards, module fabricator, and maintenance and catering services. This impact is most likely to affect a small group of vulnerable workers, employed by high-risk suppliers in regions where labour rights enforcement is weak. Forced labour, if present, violates fundamental human rights, including the right to liberty, security, and movement, and can result in physical, psychological, and economic harm to affected individuals. These risks are compounded in industries where global supply chains rely on materials like steel, often sourced from countries with inherently high forced labour risks. BW Offshore is indirectly involved in this impact through our reliance on external suppliers, whose labour practices may not always be fully transparent or compliant with international standards.

Stakeholders and Consequences

Forced labour exposes individuals to severe exploitation, including unsafe working conditions, lack of freedom, and deprivation of wages and significantly affects their physical and mental health.

In the short term, forced labour can result in immediate harm to vulnerable workers, such as physical injuries, malnutrition, and psychological stress. Over the medium term, these effects can escalate to chronic health issues, diminished economic prospects, and social marginalisation for affected individuals and their families. In the long term, systemic forced labour practices perpetuate cycles of poverty and inequality, undermining the social and economic stability of affected communities and reinforcing global inequities.

Action

Forced labour in the supply chain poses reputational, operational, and regulatory risks to BW Offshore. Acknowledging these risks, BW Offshore has implemented a Human Rights and Decent Working Conditions Policy, a Supplier Code of Ethics and Business Conduct, and Supplier Ethical Employment Practice Guidelines, and mandatory e-learning modules on modern slavery for employees. High-risk contractors, such as shipyards and module fabricators, are subject to periodic audits to identify and mitigate risks.

Additionally, BW Offshore participates in industry groups like Building Responsibly to share good practices and coordinate collective actions aimed to address common challenges. Units that are sent for recycling are subject to continuous monitoring for compliance with labour and environmental regulations.

Management of impacts, risks and opportunities

POLICIES RELATED TO WORKERS IN THE VALUE CHAIN

S2-1 – Policies related to value chain workers

BW Offshore's Human Rights and Decent Working Conditions Policy (see page 103), Supplier Code of Ethics and Business Conduct ("Supplier Code"), and Supplier Ethical Employment Practice Guidelines ("Supplier Guidelines") promote decent working conditions across our value chain and establish our minimum expectations for labour practices.

These policies apply to BW Offshore's business partners, suppliers, agents, and other third parties (collectively referred to as "suppliers") and are accessible on our website. When creating these documents, BW Offshore considered legal and regulatory obligations, good practices, recognised standards, and stakeholder, including investors and clients, expectations.

The Supplier Code demonstrates our respect for human rights and commitment to the Universal Declaration of Human Rights, ILO conventions, United Nations Guiding Principles on Business and Human Rights, and OECD Guidelines for Multinational Enterprises on Responsible Business Conduct. It includes our expectations for human rights and employment practices, including bribery and corruption; competition; money laundering; insider trading; health, safety, and environment; trade compliance; confidentiality; communications; data protection and information security; accurate records; conflicts of interests; expressions of concern; living wage; and governance.

BW Offshore has an established zero tolerance for human trafficking, forced labour, child labour, discrimination, and harassment. Suppliers are expected to prohibit discrimination and maintain an employment environment free from harassment or abuse. Supplier Code principles are enforced through standard contractual terms and conditions. The Supplier Code is approved by the Head of Supply Chain and owned by the Senior Manager – Business Process Management.

ENGAGING WITH VALUE CHAIN WORKERS

S2-2 – Processes for engaging with value chain workers about impacts
S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns

We integrate the perspectives of our value chain workers into decision-making processes and activities. We provide all value chain workers with access to the Safety Observation System (see page 85) and SpeakUp Channel (see page 94), which is promoted online, onboard assets, and at all work sites. These channels allow workers to directly communicate their concerns and provide feedback on safety or other workplace issues.

Mechanisms to monitor and track reports from these channels is described in detail in S1-1 under Health and Safety (see page 84) and G1-1 under Business Conduct (see page 117).

Engagement activities, such as BW Offshore's site visits and ethical labour audits, are conducted as part of our due diligence process. These activities occur more frequently during the project phase and provide an opportunity for direct engagement with value chain workers to assess and address potential impacts. BW Offshore's audits include interviews with workers that include questions about awareness and availability of and trust in local reporting mechanisms. Follow-up actions are developed from audit findings to address gaps, findings, and worker perspectives.

The Head of Corporate Integrity is responsible for coordinating BW Offshore's engagement activities with value chain workers and reports the results to the CEO, Senior Management, and Audit Committee.

BW Offshore expects suppliers to foster effective employee relations through mechanisms for receiving employee feedback and addressing employee concerns, including supporting freedom of association and collective bargaining.

We collaborate with our value chain partners to find reasonable, practical, effective, and beneficial remedies for any potential

negative impacts observed during value chain engagement activities. We encourage open discussions about responsible conduct expect suppliers to provide workers with avenues for raising concerns without fear of retaliation. In addition, BW Offshore expects suppliers to take action to prevent, detect, and correct validated concerns.

Suppliers must notify BW Offshore of situations that may create a high likelihood of negative impacts on human rights or decent working conditions in relation to work done for or on behalf of BW Offshore. Suppliers are also required to provide information and documentation, when requested, about human rights and working conditions in their own operations and supply chains and to submit to audits by BW Offshore or an independent auditor

We expect that our suppliers monitor and enforce the principles in the Supplier Code by raising concerns about BW Offshore business, including the conduct of our employees, agents, or other representatives.

BW Offshore is a member of several trade associations, and considers best– and industry practices, guidelines, and standards when assessing remedial measures. In 2023, we joined Building Responsibly. Membership supports collective action initiatives and provides access to resources that may be useful to BW Offshore as we continue to develop and improve ethical labour initiatives

ACTIONS TAKEN AND PLANNED

S2–4 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

S2–5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities.

BW Offshore does not have specific targets related to value chain workers, in line with ESRS requirements. However, we are committed to preventing, mitigating and remediating potential impacts on workers across our value chain, and have implemented various initiatives.

Vendor Qualification Process

BW Offshore has implemented a risk–based due diligence process known as the Vendor Qualification Process to identify and mitigate material negative impacts on value chain workers such as modern slavery, human trafficking, forced labour, child labour, or other upstream or downstream human rights risks. The due diligence process includes questionnaires, site visits, and audits for the assessment, selection and subsequent monitoring of direct suppliers. The questionnaires, which focus on governance, conflicts, corruption and social criteria, including ethical labour practices, must be completed by prospective suppliers before BW Offshore commences a business activity.

Remedies are developed by leveraging targeted site visits and labour audits of suppliers identified as high-risk. Where material impacts are identified, BW Offshore collaborates with our suppliers to develop reasonable and practical remedies to effectively address observed impacts. Progress is demonstrated through ongoing monitoring and internal and external reviews and audits.

Ongoing Due Diligence of Suppliers and Risk Mapping of Human Rights and Decent Working Conditions

BW Offshore has implemented an overall risk mapping of human rights and decent working conditions. The assessment of negative impact is initiated by a risk scoping exercise and supplemented by the double materiality assessment. The purpose of these exercises is to enable us to prioritise risks based on industry, geography, company, and type of services to identify areas where the risk of negative impact on human rights and decent working conditions is highest and most significant and where tailored actions, and the implementation of effective remedies are required. This exercise is conducted annually, and involve the following departments: Supply Chain, Operations, Legal, Compliance, Human Capital and Operational Integrity.

As part of the Vender Qualification process described above, BW Offshore conducts risk-based due diligence on suppliers. This process may include an assessment of the suppliers' own compliance policies and procedures and commitment to ethical business practices. We also conduct restricted party screening and address any warning signs identified during our review. We will not engage an external party if the compliance risk is deemed too high and cannot be sufficiently mitigated.

Similarly, appropriate due diligence is conducted when evaluating new projects, partnerships and strategic investment opportunities. Our due diligence process leverages in-house competence and third-party expertise, when needed, for support with legal, finance, tax, and insurance. In parallel, banks and other capital providers conduct their own due diligence that may include their appointed advisors.

BW Offshore performs targeted, risk-based site visits and ethical labour audits at supplier facilities within our value chain. We have committed internal and external resources to conduct site visits and labour audits at construction and recycling yards that were identified as higher risk for potential negative impact on value chain workers. BW Offshore collaborates with relevant facilities to identify reasonable, practical, and effective remedies to material impacts observed during audits and site visits.

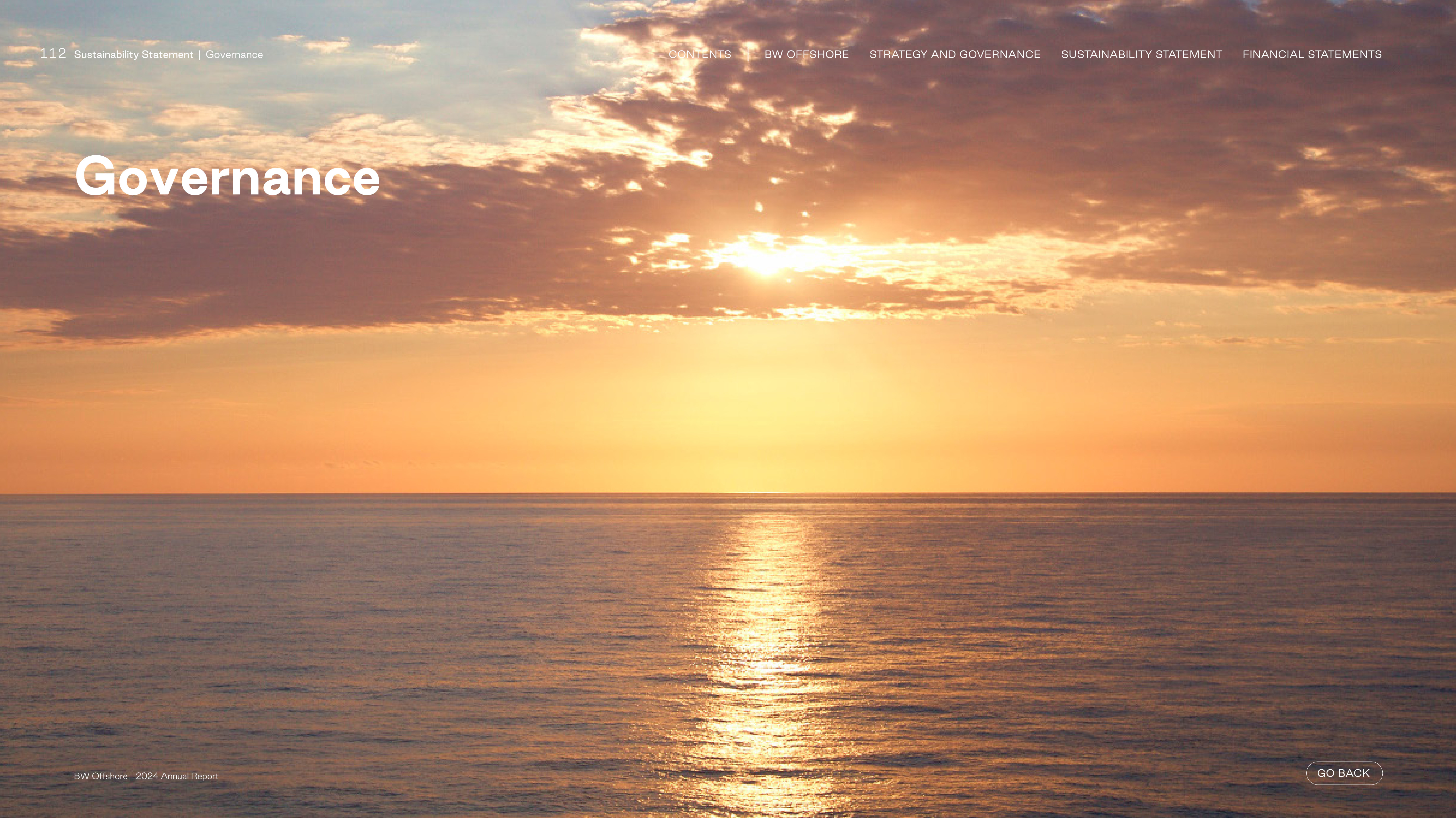
In 2024, BW Offshore conducted ethical labour audits in the Seatrium construction yard in Singapore. BW Offshore continues to evaluate risks to stakeholders of our activities and adapt our practices to reflect legal requirements and, within our capacity and resources, good practices.

Vendor Performance Evaluation

BW Offshore enhances the availability and effectiveness of remedies by dedicating resources to vendor engagement and refining practices based on audit results and compliance reviews. The effectiveness of remedies is tracked through vendor performance evaluations, stakeholder feedback, and assessments of compliance with the Supplier Code. Vendor performance evaluations are conducted for continuous improvement and for engaging suppliers in sustainable partnerships.

No human rights issues or incidents connected to BW Offshore upstream or downstream value chain were identified. Efforts to cease, prevent and mitigate significant risks of adverse impacts will continue in 2025.

Governance



ESRS G1

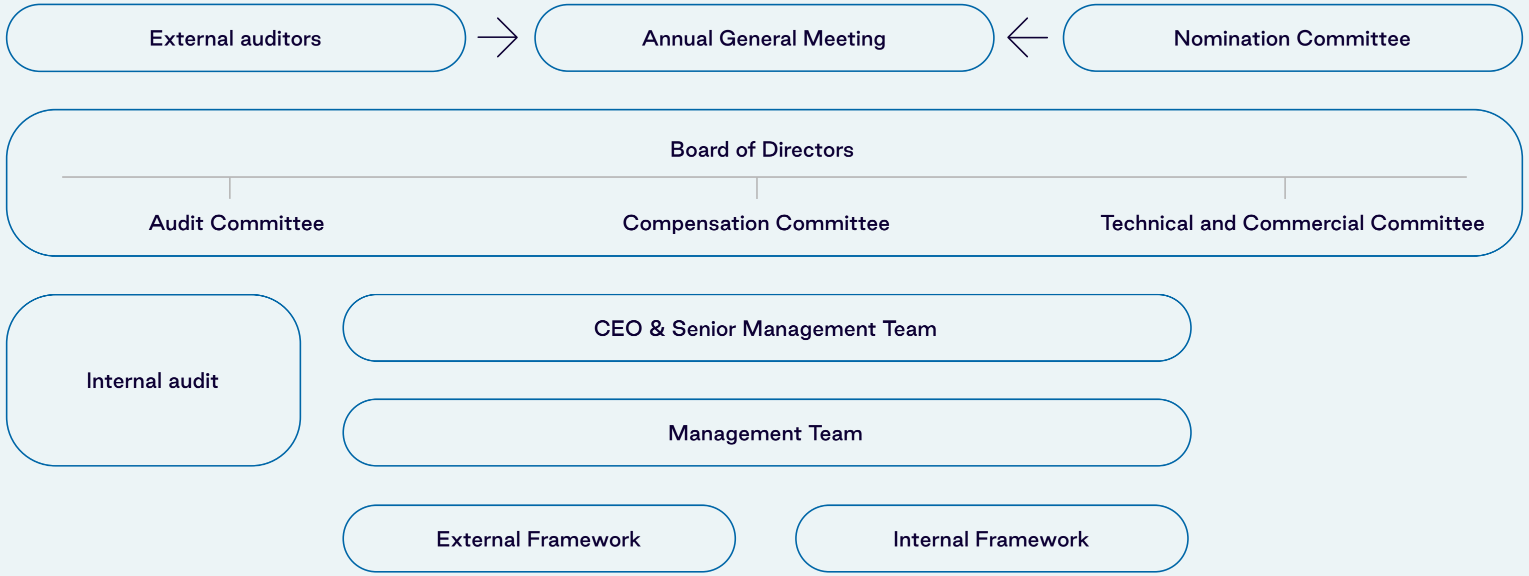
Business Conduct

Strong governance is essential for responsible, ethical, and effective operations.

BW Offshore implements robust policies, oversight mechanisms, and stakeholder engagement to meet legal and regulatory requirements while fostering trust and accountability. Our double materiality assessment identified material impacts and risks related to business conduct, including unwanted patterns of conduct, speak–up mechanisms, and bribery and corruption. Our approach to these issues is outlined in this chapter.

GOVERNANCE STRUCTURE

BW Offshore has a well–developed corporate governance structure, and adheres to the Norwegian Corporate Governance Board (NUES) Code of Practice, last updated on 14 October 2021.



Material impacts, risks and opportunities

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Material impact, risk, or opportunity	Category	US	OO	DS	Short term	Medium term	Long term
Unwanted negative patterns of conduct	Financial risk		x		x	x	
Insufficient protection of individuals utilising speak-up mechanisms	Negative potential impact		x		x	x	x
Negative impact on societies due to acts of bribery and corruption	Negative potential impact		x		x	x	x
Incidents of illegality, corruption, and bribery	Financial risk		x		x	x	x

Note to table:
Upstream (US): Includes activities related to the initial stages of the value chain, such as suppliers providing products or services used in the development of the undertaking's products or services.
Own Operations (OO): Refers to activities within the reporting company, including its use of human resources and other internal processes.
Downstream (DS): Encompasses entities that receive products or services from the undertaking, such as distributors and customers

UNWANTED NEGATIVE PATTERNS OF CONDUCT – FINANCIAL RISK

Context

Unwanted negative patterns of business conduct within BW Offshore present a material risk within our operations. Unwanted business conduct may result in negative consequences, both within BW Offshores (internally) and externally. To mitigate associated risks, we maintain a compliance programme consisting of governance frameworks, internal controls, and oversight mechanisms to prevent, detect, and respond to potential and actual violations.

Stakeholders and Consequence

Noncompliant staff behaviour may lead to regulatory violations, which could result in fines, penalties, administrative burden, and reputational damage. Staff conduct also directly impacts corporate culture. We rely on a skilled, motivated, and engaged workforce to fulfil our business objectives. A weakened corporate culture may reduce morale, engagement, and retention rates and make recruiting new talent more difficult. Our reputation and corporate culture also affect how external stakeholders perceive our standing as a corporate citizen and influence their willingness to engage with us. Stakeholders may regard associating with a partner that has a poor reputation or corporate culture as a liability. Therefore, a poor corporate culture may lead to lost business opportunities.

Action

BW Offshore's compliance programme is part of our three-lines risk management strategy and works to mitigate the risk of negative outcomes from unwanted behaviour. Our risk-based compliance programme is anchored by the Code of Ethics and Business Conduct and includes senior-level engagement, independence and autonomy, adequate resources, policies and procedures, monitoring, communications and education, confidential and anonymous reporting channels, internal investigations, and fair and impartial discipline (when warranted).

INSUFFICIENT WHISTLEBLOWER PROTECTION – POTENTIAL NEGATIVE IMPACT

Context

This potential negative impact is concentrated entirely within our own business activities, specifically affecting our employees who utilise the SpeakUp Channel to raise concerns or report violations. This impact originates directly from BW Offshore's business activities, which rely on robust governance and ethical conduct

but depend on the trust and confidence of stakeholders to report concerns without fear of retaliation. BW Offshore is both directly and indirectly involved in this impact.

BW Offshore is directly responsible for designing, promoting, and implementing systems that maintain confidentiality and anonymity (when requested), are fair, and effectively prevent negative consequences from participating in an internal review, whether as a reporting party, subject, or witness. BW Offshore relies on the services of a third-party to host the SpeakUp Channel platform. This third-party relationship supports anonymity and confidentiality but introduces a dependency on the third party for maintaining the platform's data protection, which creates our indirect involvement in this impact.

Stakeholders and Consequences

The societal effects of insufficient reporting party protection are substantial. The failure to adequately safeguard reporting parties can lead to negative employment impacts (e.g., job loss, no promotion), isolation, stress, anxiety, and reduced overall wellbeing for affected individuals. The scale of these impacts is significant for those directly involved but limited in scope, affecting only a small number of individuals relative to the workforce.

These impacts are most acute in the short term, as immediate social and emotional consequences emerge following instances of perceived or actual retaliation. Over the medium term, continued vulnerability could exacerbate harm to individual reputations and career opportunities and reduce the willingness of reporters to raise their concerns or for others to (willingly) participate in a review process. In the long term, inadequate protections could foster a culture of silence, diminishing broader societal trust in corporate accountability frameworks.

These negative impacts may result in BW Offshore not being made aware of ongoing or systemic violations of law or policy, which limit opportunities for remediation and may expose us to regulatory investigations, fines, penalties, litigation, and reputational damage.

Action

The current and anticipated effects of this potential negative impact on BW Offshore's strategy and business model are significant, as failure to safeguard individuals who report concerns or who participate in a review process could undermine the effectiveness of the

SpeakUp Channel and discourage its use. This could, in turn, erode trust in our commitment to compliant and ethical business conduct and weaken our awareness of and capacity to address violations of laws, regulations, or policies.

BW Offshore mitigates the risk of adverse consequences by providing multiple access points to speak up, including an anonymity–enabled reporting channel, limiting access to SpeakUp reports, conducting fair and independent reviews, responding to and addressing allegations of retaliation, and reinforcing the principle of no retaliation.

SOCIETAL EFFECTS OF CORRUPTION AND BRIBERY – POTENTIAL NEGATIVE IMPACT

Context

Corruption and bribery present a potential negative impact arising from BW Offshore's own operations and value chain. These acts can manifest at any level, especially within procurement, business development, or dealings with government entities in jurisdictions where corruption is systemic.

Given BW Offshore's presence in markets with varying levels of governance and transparency, such as emerging economies, this potential impact is directly linked to BW Offshore's strategy and business model, which rely on fostering trust and collaboration with both local communities and international stakeholders. BW Offshore is involved with this impact both through our own workforce and via business relationships if contractors, suppliers, or clients inadvertently or intentionally engage in corrupt practices.

Stakeholders and consequences

The societal effects of corruption and bribery vary significantly across short–, medium–, and long–term time horizons. In the short term, corruption could directly harm individuals and communities if resources intended for public use are diverted and social services are weakened.

Over the medium term, systemic corruption can erode governance frameworks and lead to institutionalised injustice, economic stagnation, and widespread societal disillusionment.

Entrenched inequality undermines social cohesion and economic opportunities for and within affected communities. In the long term, corruption's cumulative effects can exacerbate global challenges such as poverty and environmental degradation, persistent poverty, economic migration, and societal and governmental collapse. Systemic vulnerabilities are difficult, if not impossible, to reverse. These impacts are amplified in high–risk locations and require sustained, collective action to address.

Action

In addition to the negative impacts on society, bribery and corruption may lead to fines, penalties, increased administrative and other costs, litigation, and reputational damage due to eroding trust with stakeholders, including clients, suppliers, and regulatory bodies. To address these effects, we have implemented anti–corruption measures, such as due diligence and mandatory training for all staff and supplement training for staff at higher risk of exposure to corrupt practices, including those in procurement and business development.

We also maintain internal controls on gifts, hospitality, and charitable donations and perform periodic reviews of expense claims to detect and mitigate risks.

Management of impacts, risks and opportunities

G1–1 Business conduct policies and corporate culture

GOVERNANCE AND OVERSIGHT

BW Offshore has a well-developed corporate governance structure and seeks to comply with the most current version of the Norwegian Code of Practice for Corporate Governance, dated 14 October 2021, prepared by the Norwegian Corporate Governance Board. The Board of Directors and its committees provide oversight of and confirms that BW Offshore's risk management is consistent with the prescribed risk appetite and our objectives and governance principles. The Board has established an Audit Committee, currently comprised of two members. Each current member is independent, possesses over twenty-five years of industry experience, and has served in key management and board positions.

The Audit Committee has oversight of our internal controls, risk management, internal and external audit activities, legal and regulatory compliance, governance, and annual reporting.

Business conduct policies

The Code is the foundational governance document reflecting our commitment to complying with legal and regulatory obligations, respecting individuals, upholding human rights, and fostering fair and ethical employment practices. The Code is publicly available on our website and is supplemented by the Code of Ethics and Business Conduct Guidelines and additional policies and procedures, which are accessible on the internal Management System.

These policies include the Supplier Code of Ethics and Business Conduct, Supplier Ethical Employment Practice Guidelines, and Human Rights and Decent Working Conditions Policy.

The Code establishes our minimum standards for business conduct, as well as our fundamental expectations of fair dealing, honesty, and integrity. The Code covers anti-bribery and corruption; competition; money laundering; insider trading, health, safety, and environment; trade compliance; confidentiality; communications; data protection and information security; accurate records; conflicts of interests; expressions of concern; living wage; and governance.

The Code and its supplementary policies apply globally to all employees, board members, officers, temporary staff, and representatives of BW Offshore, including joint ventures where we have majority interest. Our policies also extend to legal agents, consultants, contractors, intermediaries, and other parties acting on behalf of BW Offshore to establish a consistent and enforceable standard of ethical behaviour across the organisation.

Accountability and implementation of policies

The implementation of BW Offshore's policies is overseen by senior leaders, with ownership assigned to the Head of Function for relevant areas, supported by the CEO. This governance structure promotes accountability at the highest organisational level while facilitating effective policy execution.

We align our policies with legal obligations and globally recognised standards, including the United Nations Guiding Principles on Business and Human Rights, the ILO Conventions, and the OECD Guidelines for Multinational Enterprises.

Internal stakeholder needs are addressed during policy development and implementation through, e.g., training initiatives. We engage external stakeholders, including suppliers and community members, through communication and capacity-building efforts such as employment, training, and local trade partnerships.

Key governance documents, including the Code, are publicly accessible on our website. The website also provides contact information and guidelines on how to raise grievances or concerns, to provide transparency and accessibility for all stakeholders.

MANAGEMENT OF BUSINESS CONDUCT IMPACTS

We promote our corporate culture through the core framework of We LEAD with Integrity, which encompasses the values of Leverage the Team, Excellence, Accountability, Development, and Integrity.

These values are reinforced by eight leadership behaviours: trust, care, openness, learning, feedback, speaking up, teamwork, and addressing dilemmas (see page 93).

To evaluate our corporate culture, we conduct a biannual all-staff survey (see page 93), that measures the maturity of the leadership behaviours. Additionally, the Head of Corporate Integrity monitors trends in SpeakUp reports and investigation outcomes and shares insights with the Audit Committee and Senior Management.

Mechanisms for reporting concerns

BW Offshore provides multiple methods for reporting, concerns about unethical or unlawful behaviour or breaches of the Code or company policies.

The SpeakUp Channel, one reporting option, is a third-party-hosted platform available to both internal and external stakeholders. The SpeakUp Channel is accessible via web or telephone, with language support in all operating locations. Reporters may submit concerns anonymously if desired.

Staff may also report concerns directly to line managers, the Human Capital or the Legal departments, the Head of Corporate Integrity, or a dedicated email address. All reports are kept confidential. Investigations, when needed, are conducted promptly and fairly.

In 2024, BW Offshore received 33 reports in the SpeakUp Channel. Of these, there were 5 reports related to harassment or discrimination, and none related to corruption.

Safeguards for reporting irregularities

To safeguard individuals who raise concerns, BW Offshore prohibits retaliation against anyone who raises a concern in good faith. Reports are handled confidentially and monitored by the Head of Corporate Integrity, who provides anonymised statistics to the Audit Committee on a quarterly basis.

Anti-retaliation policies are communicated through town halls, posters, internal communications, and our intranet. Allegations of retaliation are investigated and monitored by

Corporate Integrity, with oversight by the Audit Committee.

Investigations of business conduct incidents
BW Offshore promptly, independently, fairly, and objectively reviews all concerns it receives. Reviews and investigations are conducted in accordance with relevant laws and good practices, including fair hearing principles.

Reports are treated confidentially, and investigators are appointed based on the nature of the concern. If required, external experts such as forensic accountants or legal professionals are engaged. Reporters receive feedback during a review process and on outcomes, when possible.

Training on Business Conduct
BW Offshore conducts training and awareness to reinforce compliance with the Code. Within 30 days of joining the organisation, new staff are required to complete e-learning, which includes modules on corruption, modern slavery, conflicts of interest, and other relevant topics.

Annual refresher courses are mandatory for onshore workers, and specialised anti-bribery and corruption training is provided to personnel in high-risk functions, such as business development, procurement, and Senior Management. Training initiatives are complemented by town halls, email communications, and intranet updates.

Topics Covered in Mandatory Code of Conduct training
Mandatory Code training covers Workplace Conduct, Business Ethics, Gifts and Hospitality, Conflicts of Interest, Data Privacy, Secure Social Media, Inclusive Workplace, Diversity, Harassment and Discrimination, Modern Slavery, High-Risk Countries and Industries, Protecting Personal Data, Protecting Confidential Information, Consequences of a Data Breach, Managing Personal Data and Data Protection Laws, Anti-Trust/Competition, Money Laundering, Sanctions and Embargoes, Insider Trading, and Preventing Modern Slavery.

CORRUPTION AND BRIBERY

G1-3 Prevention and detection of corruption and bribery

We are committed to maintaining the highest standards of integrity and ethical conduct across our operations. We have implemented policies, processes, and training to address these challenges. The following disclosures detail our approach to preventing, detecting, and responding to bribery and corruption.

Personnel involved in business development and procurement are more likely to be exposed to commercial corruption. Staff who regularly engage with government officials, such as regulators or customs or immigration officers, are at greater risk of public corruption. These risks are mitigated through targeted training, internal controls, and oversight of affected activities.

Procedures to prevent, detect, and address corruption and bribery
BW Offshore has implemented procedures to prevent, detect, and address incidents of corruption and bribery.

These include guidelines for the giving and receiving of gifts, hospitality, and charitable donations, and Internal Audit conducts regular reviews of expense claims. Staff are required to complete an annual conflict of interest questionnaire and disclose conflicts as they arise. The SpeakUp Channel provides personnel and external parties with a confidential platform to report potential bribery or corruption.

Reported concerns are reviewed confidentially by the Head of Corporate Integrity, and independent investigators are assigned, as necessary, to conduct fact-finding and recommend remedial or disciplinary actions, as needed. No individual implicated in an allegation participates in the investigation process. Investigations into allegations of corruption and bribery are conducted independently of the management chain involved in alleged incidents.

The Head of Corporate Integrity oversees all investigations initiated through the SpeakUp Channel but is systemically barred from accessing cases in which they are implicated.

Reporting Investigation Outcomes
The Audit Committee receives quarterly updates from the Head of Corporate Integrity on SpeakUp statistics, including reports related to corruption or bribery. This includes anonymised findings of internal investigations and any recommended actions taken. These updates provide transparency and senior oversight of reported incidents and their resolutions.

Communication of anti-corruption policies
Anti-corruption and anti-bribery policies are available on the internal Management System and communicated through multiple channels. Corporate Integrity maintains an Intranet site with programme information. Updates and new policies are announced through intranet articles, town halls, posters, and leadership

communications. This approach promotes visibility and accessibility of policies to all relevant stakeholders.

Training programmes

BW Offshore's anti-corruption and anti-bribery (ABC) training programme is supported by e-learning both as part of the Code e-learning and as a dedicated ABC module for higher-risk staff, including Senior Management, commercial, and procurement departments.

Training Coverage

BW Offshore's training covers 100% of functions identified as at-risk for corruption and bribery. All new joiners complete the Code e-learning, which includes an ABC module, within their first 30 days, while onshore staff retake the module annually. BW Offshore's Senior Management and Board also complete the Code e-learning. This requirement equips governance bodies with the knowledge to uphold our commitment to ethical business practices.

Actions and resources

BW Offshore undertakes a range of actions to manage material impacts, risks, and opportunities related to corruption and bribery.

These actions include conducting ethical labour audits, maintaining controls on gifts, hospitality and charitable contributions, providing anti-bribery and corruption training, and conducting risk-based due diligence on third-parties. We are committed to continuously improving our processes to meet emerging challenges, with a focus on addressing both direct and indirect impacts in our operations and value chain.

Performance, metrics and targets

INCIDENTS OF CORRUPTION AND BRIBERY

G1-4 Incidents of corruption and bribery

In 2024, BW Offshore reported no convictions for violations of anti-corruption and anti-bribery laws, and no fines were issued for such violations.

GOVERNANCE INDICATORS

	2024	2023	2022
Compliance			
Numbers of reports through the SpeakUp Channel	33	10	17
– of which related to corruption	0	0	0
– of which related to harassment or discrimination	5	4	–
Sustainable Supply Chain			
Number of business partners with valid compliance assessment as per 31.12.2024	3836	3 057	2 670
2024 compliance assessed business partners	389	685	664
New / Re-assessed vendors	154 / 235	35/650	284 / 380
New / Re-assess vendors screened using social criteria	154 / 235	35/650	45 / 162
Percentage of direct vendors screened for social criteria	100%	100%	16%

Appendix

Content Index of ESRS Disclosure Requirements

IRO 2 — Disclosure Requirements in ESRS covered by the undertaking's sustainability statement

ESRS 2 - GENERAL DISCLOSURES

List of material DRs		Page number
BP–1	General basis for preparation of the sustainability statement	Page 31–32
BP–2	Disclosures in relation to specific circumstances	Page 31–32
GOV–1	The role of the administrative, management and supervisory bodies	Page 32–35
GOV–2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	Page 32–35
GOV–3	Integration of sustainability–related performance in incentive schemes	Page 35–36
GOV–4	Statement on due diligence	Page 35–36
GOV–5	Risk management and internal controls over sustainability reporting	Page 35–36
SBM–1	Strategy, business model and value chain	Page 7–11
SBM–2	Interests and views of stakeholders	Page 39–40
SBM–3	Material impacts, risks and opportunities and their interaction with strategy and business model	Page 46–47
IRO–1	Description of the processes to identify and assess material impacts, risks and opportunities	Page 40–46
IRO–2	Disclosure Requirements in ESRS covered by the undertaking's sustainability statement	Page 125–130

E1 – CLIMATE CHANGE

List of material DRs		Page 57–67
ESRS 2 GOV–3 / E1	Integration of sustainability–related performance in incentive schemes	
E1–1	Transition plan for climate change mitigation	
ESRS 2 SBM–3 / E1	Material impacts, risks and opportunities and their interaction with strategy and business model	
ESRS 2 IRO–1 / E1	Description of the processes to identify and assess material climate–related impacts, risks and opportunities	
E1–2	Policies related to climate change mitigation and adaptation	
E1–3	Actions and resources in relation to climate change policies	
E1–4	Targets related to climate change mitigation and adaptation	
E1–5	Energy consumption and mix	
E1–6	Gross Scopes 1, 2, 3 and Total GHG emissions	

E2 – POLLUTION

List of material DRs		Page 67–74
ESRS 2 SBM–3 / E2	Material impacts, risks and opportunities and their interaction with strategy and business model	
ESRS 2 IRO–1 / E2	Description of the processes to identify and assess material pollution–related impacts, risks and opportunities	
E2–1	Policies related to pollution	
E2–2	Actions and resources related to pollution	
E2–3	Targets related to pollution	
E2–4	Pollution of air, water and soil	

E5 – RESOURCE USE AND CIRCULAR ECONOMY

List of material DRs		Page 74–80
ESRS 2 SBM–3 / E5	Material impacts, risks and opportunities and their interaction with strategy and business model	
ESRS 2 IRO–1 / E5	Description of the processes to identify and assess material resource use and circular economy–related impacts, risks and opportunities	
E5–1	Policies related to resource use and circular economy	
E5–2	Actions and resources related to resource use and circular economy	
E5–3	Targets related to resource use and circular economy	
E5–5	Resource outflows	

S1 – OWN WORKFORCE

List of material DRs		Page 80–106
ESRS 2 SBM–2 / S1	Interests and views of stakeholders	
SRS 2 SBM–3 / S1	EMaterial impacts, risks and opportunities and their interaction with strategy and business model	
S1–1	Policies related to own workforce	
S1–2	Processes for engaging with own workforce and workers' representatives about impacts	
S1–3	Processes to remediate negative impacts and channels for own workforce to raise concerns	
S1–4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	
S1–5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	
S1–6	Characteristics of the undertaking's employees	
S1–7	Characteristics of non–employees in the undertaking's own workforce	
S1–13	Training and skills development metrics	
S1–14	Health and safety metrics	
S1–15	Work–life balance metrics	
S1–16	Remuneration metrics (pay gap and total remuneration)	

S2 – WORKERS IN THE VALUE CHAIN

List of material DRs		Page 106–112
ESRS 2 SBM–2 / S2	Interests and views of stakeholders	
ESRS 2 SBM–3 / S2	Material impacts, risks and opportunities and their interaction with strategy and business model	
S2–1	Policies related to value chain workers	
S2–2	Processes for engaging with value chain workers about impacts	
S2–3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	
S2–4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	
S2–5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	

G1 – BUSINESS CONDUCT

List of material DRs		Page 112–121
ESRS 2 SBM–3 / G1	Material impacts, risks and opportunities and their interaction with strategy and business model	
ESRS 2 GOV–1 / G1	The role of the administrative, management and supervisory bodies	
ESRS 2 IRO–1 / G1	Description of the processes to identify and assess material impacts, risks and opportunities	
G1–1	Business conduct policies and corporate culture	
G1–3	Prevention and detection of corruption and bribery	
G1–4	Incidents of corruption or bribery	

List of datapoints that derive from other EU legislation

IRO-2 – Disclosure Requirements in ESRS covered by the undertaking's sustainability statement

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material / Not material	Page number
ESRS 2 GOV-1 Board's gender diversity	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816, Annex II		Material	Page 97
ESRS GOV-1 Percentage of board members who are independent			Delegated Regulation (EU) 2020/1816, Annex II		Material	Page 21
ESRS 2 GOV-4 Statement on due diligence	Indicator number 10 Table #3 of Annex 1				Material	Page 35
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		Material	Page 7
ESRS E1-1 Transition plan to reach climate neutrality by 2050				Regulation (EU) 2021/1119, Article 2(1)	Material	Page 62
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12.1 (d) to (g), and Article 12.2		Not material	
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				Material	Page 64
ESRS E1-5 Energy consumption and mix	Indicator number 5 Table #1 of Annex 1				Material	Page 64

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material / Not material	Page number
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors	Indicator number 6 Table #1 of Annex 1				Material	Page 64
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book — Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		Material	Page 65
ESRS E1-6 Gross GHG emissions intensity	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book — Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		Material	Page 65
ESRS E1-7 GHG removals and carbon credits				Regulation (EU) 2021/1119, Article 2(1)	Not material	
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Material	
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk / ESRS E1-9 Location of significant assets at material physical risk		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book – Climate change physical risk: Exposures subject to physical risk.			Material	
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book –Climate change transition risk: Loans collateralised by immovable property – Energy efficiency of the collateral			Material	
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities			Delegated Regulation (EU) 2020/1818, Annex II		Material	

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material / Not material	Page number
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil,	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				Material	Page 72
ESRS E3-1 Water and marine resources	Indicator number 7 Table #2 of Annex 1				Not material	
ESRS E3-1 Dedicated policy	Indicator number 8 Table 2 of Annex 1				Not material	
ESRS E3-1 Sustainable oceans and seas	Indicator number 12 Table #2 of Annex 1				Not material	
ESRS E3-4 Total water recycled and reused	Indicator number 6.2 Table #2 of Annex 1				Not material	
ESRS E3-4 Total water consumption in m^3 per net revenue on own operations	Indicator number 6.1 Table #2 of Annex 1				Not material	
ESRS 2- SBM-3 - E4	Indicator number 7 Table #1 of Annex 1				Not material	
ESRS 2- SBM-3 - E4	Indicator number 10 Table #2 of Annex 1				Not material	
ESRS 2- SBM-3 - E4	Indicator number 14 Table #2 of Annex 1				Not material	
ESRS E4-2 Sustainable land / agriculture practices or policies	Indicator number 11 Table #2 of Annex 1				Not material	
ESRS E4-2 Sustainable oceans / seas practices or policies	Indicator number 12 Table #2 of Annex 1				Not material	
ESRS E4-2 Policies to address deforestation	Indicator number 15 Table #2 of Annex 1				Not material	
ESRS E5-5 Non-recycled waste	Indicator number 13 Table #2 of Annex 1				Material	Page 78
ESRS E5-5 Hazardous waste and radioactive waste	Indicator number 9 Table #1 of Annex 1				Material	Page 78
ESRS 2- SBM3 - S1 Risk of incidents of forced labour	Indicator number 13 Table #3 of Annex I				Not material	
ESRS 2- SBM3 - S1 Risk of incidents of child labour	Indicator number 12 Table #3 of Annex I				Not material	

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material / Not material	Page number
ESRS S1-1 Human rights policy commitments	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				Not material, but disclosed due to Norwegian Transparency Act requirements	Page 84
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8,			Delegated Regulation (EU) 2020/1816, Annex II		Not material, but disclosed due to Norwegian Transparency Act requirements	Page 92
ESRS S1-1 processes and measures for preventing trafficking in human beings'	Indicator number 11 Table #3 of Annex I				Not material	
ESRS S1-1 workplace accident prevention policy or management system	Indicator number 1 Table #3 of Annex I				Material	Page 83
ESRS S1-3 grievance/complaints handling mechanisms	Indicator number 5 Table #3 of Annex I				Material	Page 92
ESRS S1-14 Number of fatalities and number and rate of work-related accidents	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Material	Page 88
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness	Indicator number 3 Table #3 of Annex I				Material	Page 88
ESRS S1-16 Unadjusted gender pay gap	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Material	Page 105
ESRS S1-16 Excessive CEO pay ratio	Indicator number 8 Table #3 of Annex I				Not material	
ESRS S1-17 Incidents of discrimination	Indicator number 7 Table #3 of Annex I				Not material	Page 120

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material / Not material	Page number
ESRS S1–17 Nonrespect of UNGPs on Business and Human Rights and OECD Guidelines	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		Not material, disclosed in accordance with Norwegian Transparency Act requirements	Page 111
ESRS 2– SBM–3 — S2 Significant risk of child labour or forced labour in the value chain	Indicators number 12 and n. 13 Table #3 of Annex I				Material	Page 109
ESRS S2–1 Human rights policy commitments	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				Material	Page 109
ESRS S2–1 Policies related to value chain workers	Indicator number 11 and n. 4 Table #3 of Annex 1				Material	Page 109
ESRS S2–1 Nonrespect of UNGPs on Business and Human Rights principles and OECD guidelines	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Material	Page 109
ESRS S2–1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8,			Delegated Regulation (EU) 2020/1816, Annex II		Material	Page 92
ESRS S2–4 Human rights issues and incidents connected to its upstream and downstream value chain	Indicator number 14 Table #3 of Annex 1				Material	Page 110
ESRS S3–1 Human rights policy commitments	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				Not material	
ESRS S3–1 non–respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material	
ESRS S3–4 Human rights issues and incidents	Indicator number 14 Table #3 of Annex 1				Not material	
ESRS S4–1 Policies related to consumers and end–users	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				Not material	
ESRS S4–1 Non–respect of UNGPs on Business and Human Rights and OECD guidelines	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material	

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material / Not material	Page number
ESRS S4-4 Human rights issues and incidents	Indicator number 14 Table #3 of Annex 1				Not material	
ESRS G1-1 United Nations Convention against Corruption	Indicator number 15 Table #3 of Annex 1				Material	Page 117
ESRS G1-1 Protection of whistle-blowers	Indicator number 6 Table #3 of Annex 1				Material	Page 114
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)		Material	Page 116
ESRS G1-4 Standards of anti-corruption and anti- bribery	Indicator number 16 Table #3 of Annex 1				Material	Page 120

Notes to table:
- SFDR (Sustainable Finance Disclosure Regulation): Refers to the SFDR (EU) 2019/2088, which aims to increase transparency in the financial markets by requiring asset managers and financial market participants to disclose how they integrate environmental, social, and governance (ESG) factors into their investment decisions and financial products.
- Pillar 3: Refers to the disclosure requirements under the Basel Accords, aimed at promoting market discipline by ensuring transparency in the reporting of risks, capital adequacy, and risk management practices by financial institutions.
- Benchmark Regulation: Refers to Regulation (EU) 2016/1011, which ensures the accuracy, robustness, and integrity of benchmarks used in financial instruments and contracts, promoting transparency and reliability in financial markets.

Omitted ESRS Disclosures

GENERAL – ESRS2

Reference	ESRS Name	Reason for omitting
GOV–3	Integration of sustainability–related performance in incentive schemes	Beyond safety metrics, no other sustainability matters are linked to the company's incentive schemes and remuneration policies.

ENVIRONMENTAL

Reference	ESRS Name	Reason for omitting
E1–7	GHG removals and GHG mitigation projects financed through carbon credits	Not applicable.
E1–8	Internal carbon pricing	Not applicable.
E2–5	Substances of concern and substances of very high concern	BW Offshore has not identified any material IROs related to substances of concern and substances of very high concern, and therefore omits ESRS E2–5.
E3	Water and Marine Resources	BW Offshore has not identified any material IROs related to water and marine, and therefore omits ESRS E4–1 through E4–5.
E4	Biodiversity and Ecosystems	We are committed to protecting local habitats and native wildlife in the areas where we operate. BW Offshore's potential impact on biodiversity is included in the oilfield operator's environmental impact assessments and monitoring programmes, which are subject to local regulatory approvals. BW Offshore has not identified any material IROs related to biodiversity and ecosystems, and therefore omits ESRS E4–1 through E4–6.

SOCIAL

Reference	ESRS Name	Reason for omitting
S1–8	Collective bargaining coverage and social dialogue	The Human Rights and Decent Working Conditions policy states that BW Offshore employees have the right to free association and collective bargaining. Union engagement occurs at a frequency described in the applicable CBA (collective bargaining agreement). Out–of–cycle meetings will take place as and when required by either party. CBAs are put in place mutually between the employer and the employees.
S1–10	Adequate wages	Not material.
S1–11	Social Protection	Not material.
S1–12	Persons with disabilities	Not material.
S3	Affected Communities	BW Offshore has not identified any material IROs related to affected communities, and therefore omits ESRS S3–1 through S3–5.
S4	Consumer and end–users	BW Offshore has not identified any material IROs related to consumers and end–users, and therefore omits ESRS S4–1 through S4–5.

GOVERNANCE

Reference	ESRS Name	Reason for omitting
G1–5	Political influence and lobbying activities	Not material.
G1–6	Payment practices	Not material.

KPMG

KPMG AS
Sørkedalsveien 6
P.O. Box 7000 Majorstuen
N-0306 Oslo

Telephone +47 45 40 40 63
Internet www.kpmg.no
Enterprise 935 174 627 MVA

To the General Meeting of BW Offshore Limited

Independent sustainability auditor's limited assurance report

Limited assurance conclusion

We have conducted a limited assurance engagement on the consolidated sustainability statement of BW Offshore Limited (the "Company"), included in [name of section] of the Board of Directors' report (the "Sustainability Statement"), as at 31 December 2024 and for the year then ended.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Statement is not prepared, in all material respects, in accordance with the Norwegian Accounting Act section 2-3, including:

- compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Company to identify the information reported in the Sustainability Statement (the "Process") is in accordance with the description set out in section General Disclosures subsection Identification and Assessment of Impacts, Risks, and Opportunities; and
- compliance of the disclosures in subsection EU Taxonomy in environmental section of the Sustainability Statement with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation").

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance engagements other than audits or reviews of historical financial information ("ISAE 3000 (Revised)"), issued by the International Auditing and Assurance Standards Board.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under this standard are further described in the *Sustainability auditor's responsibilities* section of our report.

Our independence and Quality Management

We have complied with the independence and other ethical requirements as required by relevant laws and regulations in Norway and the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibilities for the Sustainability Statement

The Board of Directors and the Managing Director (management) are responsible for designing and implementing a process to identify the information reported in the Sustainability Statement in accordance with the ESRS and for disclosing this Process in section General Disclosures subsection Identification and Assessment of Impacts, Risks, and Opportunities of the Sustainability Statement. This responsibility includes:

- understanding the context in which the Group's activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions that are reasonable in the circumstances.

Offices in:

Oslo	Elverum	Mo i Rana	Tromsø
Alta	Finnsnes	Molde	Trondheim
Arendal	Hamar	Sandefjord	Tynset
Bergen	Haugesund	Stavanger	Ulsteinvik
Bodø	Knarvik	Stord	Ålesund
Drammen	Kristiansand	Straume	

KPMG AS
Sørkedalsveien 6
P.O. Box 7000 Majorstuen
N-0306 Oslo

Telephone +47 45 40 40 63
Internet www.kpmg.no
Enterprise 935 174 627 MVA

Management is further responsible for the preparation of the Sustainability Statement, in accordance with the Norwegian Accounting Act section 2-3, including:

- compliance with the ESRS;
- preparing the disclosures in subsection EU Taxonomy in environmental section of the Sustainability Statement, in compliance with the Taxonomy Regulation;
- designing, implementing and maintaining such internal control that management determines is necessary to enable the preparation of the Sustainability Statement that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

Inherent limitations in preparing the Sustainability Statement

In reporting forward-looking information in accordance with ESRS, management is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Sustainability auditor's responsibilities

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the Sustainability Statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Sustainability Statement as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional scepticism throughout the engagement.

Our responsibilities in respect of the Sustainability Statement, in relation to the Process, include:

- Obtaining an understanding of the Process, but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;
- Considering whether the information identified addresses the applicable disclosure requirements of the ESRS; and
- Designing and performing procedures to evaluate whether the Process is consistent with the Company's description of its Process set out in section General Disclosures subsection Identification and Assessment of Impacts, Risks, and Opportunities.

Our other responsibilities in respect of the Sustainability Statement include:

- Identifying where material misstatements are likely to arise, whether due to fraud or error; and
- Designing and performing procedures responsive to where material misstatements are likely to arise in the Sustainability Statement. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability Statement. The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise in the Sustainability Statement, whether due to fraud or error.

In conducting our limited assurance engagement, with respect to the Process, we:

KPMG

KPMG AS
Sørkedalsveien 6
P.O. Box 7000 Majorstuen
N-0306 Oslo

Telephone +47 45 40 40 63
Internet www.kpmg.no
Enterprise 935 174 627 MVA

- Obtained an understanding of the Process by:
  - performing inquiries to understand the sources of the information used by management (e.g., stakeholder engagement, business plans and strategy documents; and
  - reviewing the Company's internal documentation of its Process; and
- Evaluated whether the evidence obtained from our procedures with respect to the Process implemented by the Company was consistent with the description of the Process set out in section General Disclosures subsection Identification and Assessment of Impacts, Risks, and Opportunities.

In conducting our limited assurance engagement, with respect to the Sustainability Statement, we:

- Obtained an understanding of the Group's reporting processes relevant to the preparation of its Sustainability Statement by
  - obtaining an understanding of the Group's control environment, processes and information system relevant to the preparation of the Sustainability Statement, but not for the purpose of providing a conclusion on the effectiveness of the Group's internal control, and
  - obtaining an understanding of the Group's risk assessment process.
- Evaluated whether the information identified by the Process is included in the Sustainability Statement;
- Evaluated whether the structure and the presentation of the Sustainability Statement is in accordance with the ESRS;
- Performed substantive assurance procedures on selected information in the Sustainability Statement;
- Where applicable, compared disclosures in the Sustainability Statement with the corresponding disclosures in the financial statements and other sections of the Board of Directors' report;
- Evaluated the methods, assumptions and data for developing estimates and forward-looking information;
- Obtained an understanding of the Company's process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Sustainability Statement;
- Evaluated whether information about the identified taxonomy-eligible and taxonomy-aligned economic activities is included in the Sustainability Statement, and
- Performed inquiries of relevant personnel, analytical procedures and substantive procedures on selected taxonomy disclosures included in the Sustainability Statement

Oslo, 26 February 2025

KPMG AS

Sign.

Dave Vijfvinkel
State Authorised Public Accountant – Sustainability Auditor

Consolidated Financial Statements

Consolidated statement of income

USD MILLION (Year ended 31 December)	Note	2024	2023
Revenue	2, 3, 19	606.7	659.2
Operating expenses	4, 6	(185.6)	(263.5)
Other expenses	4	(74.8)	(61.6)
Administrative expenses	4, 6, 19	(28.3)	(28.6)
Total expenses		(288.7)	(353.7)
Operating profit before depreciation, amortisation, impairment and sale of assets		318.0	305.5
Depreciation and amortisation	10, 11, 19	(177.9)	(187.2)
Reversal of impairment/(impairment)	10	1.1	(5.1)
Net gain/(loss) on sale of tangible fixed assets	10	–	24.7
Operating profit/(loss)		141.2	137.9
Interest income		17.7	9.2
Interest expense		(38.5)	(49.5)
Fair value gain/(loss) on financial instruments	16	0.1	10.9
Net currency gain/(loss)		9.3	(14.7)
Other financial items	14, 19	10.7	1.3
Net financial items		(0.7)	(42.8)
Share of profit/(loss) of equity-accounted investees	12	(13.3)	18.2
Profit/(loss) before tax		127.2	113.3
Income tax expense	7	(7.4)	(15.7)
Net profit/(loss) for the year		119.8	97.6

USD MILLION (Year ended 31 December)	Note	2024	2023
Net profit/(loss) for the year attributable to			
Shareholders of the parent		120.6	100.4
Non-controlling interests	18	(0.8)	(2.8)
Net profit/(loss) for the year		119.8	97.6
Basic earnings/(loss) per share net	5	0.67	0.56
Diluted earnings/(loss) per share net	5	0.63	0.52

The notes on pages 141–180 are an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income

USD MILLION (Year ended 31 December)	Note	2024	2023
Profit/(loss) for the period		119.8	97.6
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit liability (asset)		(0.1)	(0.1)
Equity Investments at FVOCI – net change in fair value		–	(0.4)
		(0.1)	(0.5)
Items that are or may be reclassified subsequently to profit or loss:			
Foreign operations – foreign currency translation differences		(5.1)	3.7
Equity accounted investees – share of OCI	12	14.9	(3.9)
Cash flow hedges – effective portion of changes in fair value	16	(0.5)	4.9
		9.3	4.7
Other comprehensive income for the period, net of tax		9.2	4.2
Total comprehensive income for the period		129.0	101.8
Total comprehensive income attributable to			
Shareholders of the parent		133.2	104.2
Non-controlling interests		(4.2)	(2.4)
		129.0	101.8

The notes on pages 141–180 are an integral part of these consolidated financial statements.

Consolidated statement of financial position

USD MILLION (As at 31 December)	Note	2024	2023
ASSETS			
Vessels	10	3 138.6	2 833.5
Other property, plant and equipment	10	2.1	2.8
Right-of-use assets	19	21.4	13.8
Intangible assets and goodwill	11	80.4	87.8
Equity-accounted investees	12	226.4	384.8
Deferred tax assets	7	64.1	61.6
Derivatives	16	25.2	37.7
Other non-current assets	8	8.0	12.3
Non-current assets		3 566.2	3 434.3
Inventories		3.7	3.7
Trade and other current assets	8	169.7	152.4
Derivatives	16	-	1.7
Cash and cash equivalents	9	305.8	361.0
Current assets		479.2	518.8
Total assets		4 045.4	3 953.1

USD MILLION (As at 31 December)	Note	2024	2023
EQUITY			
Share capital	13	92.5	92.5
Share premium		1 095.5	1 095.5
Other equity	13	(98.2)	(182.4)
Equity attributable to shareholders of the parent		1 089.8	1 005.6
Non-controlling interests	18	156.8	189.7
Total equity		1 246.6	1 195.3
LIABILITIES			
Interest-bearing long-term debt	14, 16	173.9	290.7
Financial liability related to Barossa lease	14, 16	1 347.4	1 022.1
Pension obligations		1.8	4.5
Other non-current liabilities	15	1 029.7	918.9
Long-term lease liabilities	19	15.1	9.4
Derivatives	16	7.3	1.5
Deferred tax liabilities	7	10.5	15.6
Non-current liabilities		2 585.7	2 262.7
Current tax liabilities	7	13.8	18.4
Interest-bearing short-term debt	14, 16	57.5	242.5
Trade and other payables	15	137.6	229.5
Derivatives	16	-	2.1
Short-term lease liabilities	19	4.2	2.6
Current liabilities		213.1	495.1
Total equity and liabilities		4 045.4	3 953.1

The notes on pages 141–180 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

USD MILLION	Note	Share capital	Share premium	Treasury share reserve	Currency translation reserve	Hedging reserve	Equity component of convertible bonds	Other elements	Shareholders' equity	Non-controlling interests	**Total equity**
Equity at 1 January 2023		92.5	1 095.5	(10.1)	(28.4)	(4.1)	50.7	(257.6)	938.5	212.6	**1 151.1**
Profit/(loss) for the period		–	–	–	–	–	–	100.4	100.4	(2.8)	**97.6**
Other comprehensive income		–	–	–	3.6	4.5	–	(4.3)	3.8	0.4	**4.2**
Dividends	13	–	–	–	–	–	–	(43.3)	(43.3)	–	**(43.3)**
Share-based payment	6	–	–	–	–	–	–	1.6	1.6	(0.2)	**1.4**
Other items	14	–	–	–	–	–	(0.9)	–	(0.9)	(0.1)	**(1.0)**
Acquisition of NCI without change of control	18	–	–	–	–	–	–	5.5	5.5	(9.4)	**3.9**
Sale to NCI without a change in control	18	–	–	–	–	–	–	–	–	18.9	**18.9**
Dividends to non-controlling interest	18	–	–	–	–	–	–	–	–	(6.8)	**(6.8)**
Transactions with non-controlling interests	18	–	–	–	–	–	–	–	–	(22.9)	**(22.9)**
Total equity at 31 December 2023		92.5	1 095.5	(10.1)	(24.8)	0.4	49.8	(197.7)	1 005.6	189.7	**1 195.3**
Equity at 1 January 2024		92.5	1 095.5	(10.1)	(24.8)	0.4	49.8	(197.7)	1 005.6	189.7	**1 195.3**
Profit/(loss) for the period		–	–	–	–	–	–	120.6	120.6	(0.8)	**119.8**
Other comprehensive income		–	–	–	(1.8)	(0.4)	–	14.8	12.6	(3.4)	**9.2**
Dividends	13	–	–	–	–	–	–	(49.8)	(49.8)	–	**(49.8)**
Share-based payment	6	–	–	–	–	–	–	1.5	1.5	–	**1.5**
Other items	14	–	–	–	–	–	(0.7)	–	(0.7)	–	**(0.7)**
Repayment of Convertible Bond	14	–	–	–	–	–	(49.1)	49.1	–	–	**–**
Dividends to non-controlling interest	18	–	–	–	–	–	–	–	–	(5.8)	**(5.8)**
Transactions with non-controlling interests	18	–	–	–	–	–	–	–	–	(22.9)	**(22.9)**
Total equity at 31 December 2024		92.5	1 095.5	(10.1)	(26.6)	–	–	(61.5)	1 089.8	156.8	**1 246.6**

The notes on pages 141–180 are an integral part of these consolidated financial statements.

Hedging reserve
The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss.

Convertible bonds
The reserve for the convertible bonds comprises the amount allocated to the equity component for the convertible bonds issued by the Group in November 2019 and effects from repayments during 2024 and 2023.

Treasury share reserve
The reserve for the Company's treasury shares comprises the cost of the Company's shares held by the Group.

Consolidated statement of cash flows

USD MILLION (Year ended 31 December)	Note	2024	2023
Operating activities			
Profit/(loss) before taxes		127.2	113.3
Adjustments for:			
Depreciation and amortisation	10, 11, 19	177.9	187.2
Impairment	10	(1.1)	5.1
Change in fair value of derivatives		(0.1)	(10.9)
Unrealised currency exchange loss/(gain)		(10.5)	8.1
Add back of net interest expense		20.9	40.3
Share of loss/(profit) from equity accounted investees	12	13.3	(18.2)
Loss/(gain) on disposal of property, plant & equipment	10	–	(24.7)
Share-based payment expense	6	1.5	1.4
Changes in:			
Instalment on financial lease		–	5.0
Inventories		–	3.0
Trade and other current assets		21.1	79.9
Trade and other payables		(43.7)	(46.1)
Other balance sheet items and items related to operating activities		9.7	(35.0)
Deferred revenues		64.9	265.1
Cash generated from operating activities		381.1	573.5
Taxes paid	7	(18.2)	(14.8)
Net cash flow from operating activities		362.9	558.7

USD MILLION (Year ended 31 December)	Note	2024	2023
Investing activities			
Interest received		19.2	10.0
Proceeds from disposal of property, plant & equipment	10	29.9	200.6
Proceeds from sale of investments	12	176.4	0.5
Investment in associated companies	12	(17.6)	(49.5)
Investment in subsidiary	18	–	(4.0)
Investment in property, plant & equipment and intangible assets	10, 11	(379.9)	(804.5)
Net cash flow from investing activities		(172.0)	(646.9)
Financing activities			
Proceeds from loans and borrowings	14	163.0	911.9
Proceeds from sale of non-controlling interest	18	–	18.9
Paid dividend and redemption	18	(28.8)	(29.7)
Interest paid		(13.6)	(19.7)
Repayment of loans and borrowings	14	(118.6)	(589.7)
Repurchase of convertible notes	14	(191.9)	(41.2)
Payment of lease liabilities	19	(6.4)	(6.3)
Dividends paid	13	(49.8)	(25.3)
Net cash flow from financing activities		(246.1)	218.9
Net change in cash and cash equivalents		(55.2)	130.7
Cash and cash equivalents at beginning of period		361.0	230.3
Cash and cash equivalents at end of period	9	305.8	361.0

The notes on pages 141–180 are an integral part of these consolidated financial statements.

Notes

NOTE 1 Basis of preparation

REPORTING ENTITY

BW Offshore Limited ('BW Offshore' or 'the Company') was incorporated in Bermuda in 2005 and is domiciled in Bermuda, with its registered address at Washington Mall Phase 2, 4th Floor, Suite 400, 22 Church Street, Hamilton HM1189, Bermuda.

BW Offshore Limited and its subsidiaries are referred to as the 'Group'. The Group builds, owns and operates Floating, Production, Storage and Offloading (FPSO) assets. The Group also does strategic investments to capture energy transition opportunities. The Company is listed on Oslo Stock Exchange, a stock exchange operated by Euronext.

BASIS OF ACCOUNTING

The consolidated financial statements of the Group have been prepared pursuant to IFRS ® Accounting Standards as adopted by the EU (IFRS). The consolidated financial statements have been prepared in accordance with the historical cost convention with some exceptions, as detailed in the accounting policies set out in the relevant notes to the consolidated financial statements.

The consolidated financial statements were approved by the Board of Directors on 26 February 2025.

FUNCTIONAL AND PRESENTATION CURRENCY

These consolidated financial statements are presented in United States Dollars (USD). This is also the functional currency of the parent company and most of its subsidiaries. The functional currency is determined in each entity of the Group based on the currency within the entity's primary economic environment. All figures are in USD million unless otherwise stated. Due to rounding differences, numbers and or percentages may not add up to the total. Figures in brackets refer to corresponding figures for 2023.

USE OF JUDGEMENTS AND ESTIMATES

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires Management to exercise its judgement in the process of complying with the Group's accounting policies. Actual results may differ from these estimates. Estimates and judgements are reviewed on an ongoing basis based on historical experience and expectations of future events.

Information about judgements and estimates made in applying accounting policies that have the most significant impact on the amounts recognised in the financial statements is included in the following notes:

- Note 7: Uncertain tax treatments
- Note 10: Depreciation: useful life and residual value
- Note 10: Impairment test of PP&E: key assumption underlying recoverable amounts
- Note 11: Impairment test of goodwill and technology: key assumption underlying recoverable amounts
- Note 19: Lease classification

FOREIGN CURRENCY

Foreign currency transactions

Transactions in foreign currency are translated to functional currency using the exchange rate at the date of the transaction. At the end of each reporting period, foreign currency monetary items are translated using the closing rate, non–monetary items that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction, and non–monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. Foreign currency differences are generally recognised in profit or loss and presented within finance costs.

However, foreign currency differences arising from qualifying cash flow hedges, to the extent that the hedges are effective, are recognised in OCI.

Foreign operations

The assets and liabilities of entities whose functional currencies are other than USD, are translated into USD at the exchange rates at the balance sheet date. The revenues and expenses of such entities are translated into USD using the monthly average exchange rates. The Group has a material subsidiary BW Ideol AS whose functional currency is EUR.

Exchange differences are recognised in OCI and accumulated in the currency translation reserve in other equity, except to the extent that the translation difference is allocated to NCI.

MATERIAL ACCOUNTING POLICIES

Accounting policies are included in the relevant notes to the consolidated financial statements as follows:

- Note 3: Revenue
- Note 7: Income taxes
- Note 8: Trade, other current assets and other non–current assets
- Note 10: Property, plant and equipment
- Note 11: Intangible assets and goodwill
- Note 12: Equity Accounted Investees
- Note 13: Capital and Reserves
- Note 14: Loans and borrowings
- Note 15: Trade, other payables and other non–current liabilities
- Note 16: Financial Instruments — fair value and risk management
- Note 17: List of subsidiaries, associates and joint ventures
- Note 18: Non–Controlling Interests
- Note 19: Leases

Changes in Material Accounting Policies

No new standards effective from 1 January 2024 have had a material impact on the Group's financial statements.

Standards issued but not yet effective

A number of new standards are effective for annual periods beginning after 1 January 2025 and earlier application is permitted; however, the Group has not early adopted the new and amended standards in preparing these consolidated financial statements. The following new and amended standards are not expected to have a significant impact on the Group's consolidated financial statements.

- Lack of exchangeability (Amendments to IAS 21)
- Classification and measurement of financial instruments (Amendments to IFRS 9 and IFRS 7)
- IFRS 19 Subsidiaries without public accountability: disclosures

IFRS 18 Presentation and disclosure in financial statements, effective from 1 January 2027, will have an impact of the Group's presentation of consolidated statement of income and consolidated statement of cash flows.

NOTE 2 Operating segments

The Group's activities are construction, lease and operation of FPSOs, as well as floating offshore wind.

The Group identifies segments on the basis of those components of the Group that are regularly reviewed by the chief operating decision-maker ('CODM'). The Group identified its Senior Management team as the CODM, reference to Note 6 for definition of Senior Management team. The reported measure of segment profit is operating profit/(loss). Deferred tax assets and non-current financial assets are not allocated to the segments. Operating segment disclosures are consistent with the information reviewed by the CODM.

Segment performance for 2024 and 2023 is presented below:

2024

USD MILLION	FPSO	Floating wind	Eliminations	Total
Revenues	603.6	2.6	–	**606.2**
Other revenue	–	0.5	–	**0.5**
Revenues inter-segment	0.1	–	(0.1)	**–**
Total revenues	603.7	3.1	(0.1)	**606.7**
Operating expenses	(248.1)	(12.4)	0.1	**(260.4)**
Administrative expenses	(28.3)	–	–	**(28.3)**
Operating profit before depreciation, amortisation, impairment and sale of assets	327.3	(9.3)	–	**318.0**
Depreciation, amortisation and impairment	(169.5)	(7.3)	–	**(176.8)**
Profit/(loss) sale of fixed assets			–	**–**
Operating profit/(loss)	157.8	(16.6)	–	**141.2**
Capital expenditure	494.5	2.6	–	**497.1**
Balance sheet information				
Equity-accounted investees	198.8	27.6	–	**226.4**
Non-current segment assets	3 167.2	83.9	–	**3 251.1**
Non-current assets, not allocated to segments			–	**88.7**
Total non-current assets			–	**3 565.5**
Total assets for reportable segments	3 847.1	121.6	(12.0)	**3 956.7**
Assets not allocated to segments				**88.7**
Consolidated total assets				**4 045.4**
Total liabilities for reportable segments	2 752.3	26.9	(12.0)	**2 767.2**
Liabilities not allocated to segments				**31.6**
Consolidated total liabilities				**2 798.8**

2023

USD MILLION	FPSO	Floating wind	Eliminations	Total
Revenues	652.2	3.9	–	656.1
Other revenue	1.1	2.0	–	3.1
Revenues inter-segment	–	–	–	–
Total revenues	653.3	5.9	–	659.2
Operating expenses	(310.0)	(15.1)	–	(325.1)
Administrative expenses	(28.6)	–	–	(28.6)
Operating profit before depreciation, amortisation, impairment and sale of assets	314.7	(9.2)	–	305.5
Depreciation, amortisation and impairment	(179.1)	(13.2)	–	(192.3)
Profit/(loss) sale of fixed assets	24.7	–	–	24.7
Operating profit/(loss)	160.3	(22.4)	–	137.9
Capital expenditure	767.8	2.3	–	770.1
Balance sheet information				
Equity-accounted investees	360.0	24.8	–	384.4
Non-current segment assets	2 875.7	95.3	–	2 971.0
Non-current assets, not allocated to segments				78.5
Total non-current assets				3 434.3
Total assets for reportable segments	3 741.2	138.3	(4.9)	3 874.6
Assets not allocated to segments				78.5
Consolidated total assets				3 953.1
Total liabilities for reportable segments	2 708.6	22.0	(4.9)	2 725.7
Liabilities not allocated to segments				32.1
Consolidated total liabilities				2 757.8

GEOGRAPHIC INFORMATION

Revenue

For the FPSO segment, the classification of revenue per region is determined by the final destination of the FPSO, while the classification in the floating offshore wind segment is based on the geographic location of the customer.

USD MILLION	2024	2023
Americas	106.2	111.0
Europe/Africa	497.8	539.2
Asia and the Pacific	2.7	9.0
Total revenues from continuing operations	606.7	659.2

USD 3.1 million (USD 5.9 million) of revenues in the Europe/Africa region is related to the floating offshore wind segment. Revenues in the other regions are related to the FPSO segment.

Non-current assets

USD MILLION	2024	2023
Americas	129.7	165.9
Europe/Africa	811.5	948.3
Asia and the Pacific	2 301.3	1 823.6
	3 242.5	2 937.8

Non-current assets exclude deferred tax assets, derivatives, equity accounted investees and other non-current assets.

MAJOR CUSTOMER

The Group has a limited number of customers (see also section regarding credit risk in Note 16). In accordance with IFRS 8.34, the Group has evaluated whether any single customers amount to 10 per cent or more of the total revenue.

In 2024, the Group has identified four such customers. For these, the revenue was USD 582.2 million related to the FPSO segment. In 2023, the Group has identified three such customers. For these, the revenue was USD 500.8 million related to the FPSO segment.

NOTE 3 Revenue

ACCOUNTING POLICIES

The Group's revenues derive from chartering of FPSO's, rendering of operational services related to FPSO's, and engineering services.

Revenue from contracts with customers

Revenue from contracts with customers is recognised upon satisfaction of the performance obligations for the transfer of services in each such contract. A performance obligation is satisfied when or as the customer obtains control of the goods or services delivered. It is recognised at an amount that reflects the consideration which the Group expects to receive in exchange for those goods or services. Revenues are presented net of indirect sales taxes. The Group's performance obligations are to operate and lease FPSOs.

Operational services

Income from the rendering of operational services related to FPSOs and other services are recognised as revenue over time in the period when the services are rendered.

Variable consideration

Certain lease contracts contain variable elements, which include production incentive–, KPI– and maintenance bonuses. If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled. The variable consideration is only recognised when it is highly probable that it would not be subject to significant reversal in the future.

FEED (Front–End Engineering Design)

A FEED study is a preliminary step taken before basic engineering–level work and is undertaken to confirm the technical and economic feasibility of a prospective field development. When determined to be a separate performance obligation, income from FEED contracts is recognised as revenue from contracts with customers when a certain milestone is reached and control transfers to the customer.

Lease Revenue

Chartering of vessels

Revenue from chartering of FPSOs is based on whether the contract is considered an operating lease or a finance lease.

Operating Leases

Leases, in which a significant portion of the risks and rewards of ownership are retained by the lessor, are classified as operating leases. Payments received under operating leases are recognised as revenue on a straight–line basis over the lease term. The lease term period for each lease contract is the non–cancellable period for which the lessee has contracted the asset together with an assessment of any further terms that the lessee has the option to continue the lease, when Management considers it reasonably certain that the lessee will exercise the option. This judgement is based on a combination of information about the field, the market and the client. As lease rates can vary over the lease term, this implies that there might be significant timing differences between cash flow and recognised revenue from a particular lease.

The Group has no financial leases.

REVENUE STREAMS

The Group generates revenue primarily from rendering of services on operating FPSOs and chartering of FPSOs to its customers. The Group recognises most of its revenue over time.

USD MILLION	2024	2023
Revenue from contracts with customers	255.4	279.5
Leasing revenue	350.8	376.6
Other revenue	0.5	3.1
Total revenue	606.7	659.2

CONTRACT BALANCES

The following table provides information about receivables and contract assets.

USD MILLION	31 Dec 2024	31 Dec 2023
Receivables included in trade and other current assets	133.9	93.2
Contract assets included in trade and other current assets	19.0	18.2
Contract liabilities – included in trade and other payables	22.9	–

The majority of the Group's contracts consist of a lease for the FPSO as well as an operating agreement. The Group has assessed the underlying risk profile to be equal.

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date.

The contract liabilities primarily relate to advance consideration received from customers or advance billing where the Group has an unconditional right receive payment and the customer contract is non–cancellable.

The remaining unsatisfied performance obligations to be recognised as revenues from contracts with customers over the remaining firm contract period is USD 1 398.7 million (USD 1 470.5 million).

NOTE 4 Operating, administrative and other expenses

The table below sets out expenses by nature for items included in operating expenses, other expenses and administrative expenses.

USD MILLION	2024	2023
Employee benefit expenses (Note 6)	134.4	150.3
Vessel operating expenses	113.3	171.8
Other expenses	41.0	31.6
Total operating expenses	288.7	353.7

NOTE 5 Earnings per share

BASIC EARNINGS PER SHARE

The calculation of basic EPS has been based on the following profit attributable to ordinary shareholders are the weighted–average number of ordinary shares outstanding.

Profit/(loss) attributable to ordinary shareholders (basic)

USD MILLION	2024	2023
Profit/(loss) attributable to ordinary shareholders	120.6	100.4

Weighted-average number of ordinary shares (basic)

IN THOUSAND	2024	2023
Issued ordinary shares at 1 January	184 956	184 956
Effect of treasury shares held	(4 141)	(4 141)
Weighted–average number of ordinary shares at 31 December	180 815	180 815

DILUTED EARNINGS PER SHARE

The calculation of diluted EPS has been based on the following profit attributable to ordinary shareholders and weighted–average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

Profit/(loss) attributable to ordinary shareholders (diluted)

USD MILLION	2024	2023
Profit/(loss) attributable to ordinary shareholders	120.6	100.4
Interest expense on convertible notes	6.5	8.1
Profit/(loss) attributable to ordinary shareholders (diluted)	127.1	108.5

Weighted-average number of ordinary shares (diluted)

IN THOUSAND	2024	2023
Weighted–average number of ordinary shares (basic)	180 815	180 815
Effect of share option on issue	–	–
Effect of conversion of convertible bonds	20 737	26 338
Weighted–average number of ordinary shares (diluted) at 31 December	201 552	207 153

EARNINGS PER SHARE

USD MILLION	2024	2023
Basic earnings / (loss) per share net	0.67	0.56
Diluted earnings / (loss) per share net	0.63	0.52

At 31 December 2024, 8 684 983 options (8 486 513 in 2023) were excluded from the diluted weighted–average number of ordinary shares calculation, because their effect would have been anti–dilutive.

NOTE 6 Employee benefit expenses, remuneration to directors and auditors

EMPLOYEE BENEFIT EXPENSES

USD MILLION	2024	2023
Wages, crew	50.2	62.6
Wages, administrative personnel	70.8	72.5
Social security contributions	7.5	7.2
Expenses related to defined contribution scheme	5.5	5.6
Expenses related to defined benefit scheme	(1.0)	0.2
Share–based payment	1.4	2.2
Total employee benefit expenses	134.4	150.3
Average number of employees	1 216	1 521

SENIOR MANAGEMENT TEAM[1] REMUNERATION

(IN USD)	Salary	Bonus	Pension benefits	Share options	Other benefits	Number of shares
2024	2 922 574	1 061 787	153 797	771 857	75 872	280 884
2023	2 866 342	711 954	192 077	864 783	44 720	430 518

[1] – Remuneration reporting from 1 January 2024 — 31 December 2024: Chief Executive Officer (CEO), Chief Financial Officer (CFO), and Chief Strategy Officer (CSO)
– Remuneration reporting from 1 January 2024 — 30 September 2024: Chief Operating Officer (COO), Chief Commercial Officer (CCO) and General Counsel
– Remuneration reporting of new roles from 1 October 2024 to 31 December 2024: Chief Technical Officer (CTO), Chief Commercial Officer (CCO) and General Counsel
– Remuneration in the table above excludes severance pay

Severance

Senior Management team has agreements that give them the right to compensation after termination of employment before retirement that equals 100 per cent of the salary for a maximum of 18 months. Compensation received from other employers during this period reduces this compensation, but not below 25 per cent of the compensation. There are no similar agreements with the members of the Board of Directors.

BOARD OF DIRECTORS' REMUNERATION AND SHARES HELD

(IN USD) Year	Directors' fee	Number of shares	Share options
2024	396 875	90 419 229	–
2023	385 000	90 419 229	–

The compensation for members of the Board of Directors for the period May 2024 to May 2025 will be decided at the annual general meeting in May 2025.

EMPLOYEE REMUNERATION

Variable Compensation Scheme

The Variable Compensation Scheme (VCS) is a system for rewarding employees if and when the Group reaches set goals for the Group's performance. The VCS plan is established on a year–to–year basis guided from the Board of Directors. The VCS for the performance year 2024 is based on the following parameters:

1. Overall company results defined by targeted return on equity
2. Health, Safety, Environment and Quality (HSEQ) performance of Zero Harm

The Board of Directors are assessing the achievements, including applying discretionary evaluations, to determine the Group pay–out pool for the VCS accordingly.

Full pay–out is capped at three months' base salary for eligible employees, and six months for the Senior Management Team. Individual assessment of VCS pay–out is applied on a discretionary basis evaluating individual contributions, performance and key accomplishments.

Long-term share option programme

In 2019, the Board approved the establishment of a long–term share option programme (LTIP) where key personnel were granted options to purchase shares in the Company. The programme is approved for five years, with annual grants, each grant corresponding to 1 per cent of the total outstanding shares in the Company. The first grant was in 2019, with the last grant in 2023. The programme is discretionary, and participants are invited on an annual basis. The purpose of the programme is to further align the interests of the Group and its shareholders by providing incentives to employees to motivate them to contribute materially to the success and long–term profitability of the Group.

Each option will give the holder the right to acquire one BW Offshore share. In 2023, a total of 60 BW Offshore key employees were invited to participate in the programme.

The strike price of the options is calculated based on the volume weighted average share price five trading days prior to grant date, plus a premium of 15.76 per cent which is corresponding to a 5 per cent increase annually over three years.

In 2024, the Board approved a new Long–Term Incentive Programme (LTIP). The programme is a combination of Share Options and Restricted Share Unit (RSUs).

The total number of options awarded under the LTIP for 2024 is 800 000 where each option will give the holder the right to acquire one BW Offshore share.

The strike price is NOK 29.85 and is calculated as the volume–weighted average share price five trading days prior to the grant date, plus a premium of 15.76 per cent (corresponding to a 5 per cent increase annually over 3 years). The options have a vesting period of three years, followed by a three–year exercise period. The options will expire 6 years after the award date.

The key terms and conditions related to the grants under these programmes are as follows; all options are to be settled by physical delivery of shares.

Grant date	Number of instruments	Vesting conditions	Contractual life of options
On 8 April 2019	1 732 000	Vesting period of three years, followed by a three–years exercise period	6 years
On 6 March 2020	1 832 250	Same as above	6 years
On 26 February 2021	1 849 600	Same as above	6 years
On 7 March 2022	1 849 575	Same as above	6 years
On 7 March 2023	1 849 567	Same as above	6 years
On 8 March 2024	800 000	Same as above	6 years
Total share options	9 912 992		

For 2024, a total of 115 534 RSUs has been awarded to 19 employees. The RSUs will be settled in shares following a three–year vesting period from the grant date.

The Company's exposure relating to the 2019 award is hedged by a Total Return Swap (TRS) agreement with financial exposure to 1 732 000 shares in BW Offshore. The options are non–tradable and conditional upon the option holder being employed by the Company and not having resigned or being terminated for cause prior to the vesting date.

Measurement of fair values

The fair value of the employee share options has been measured using the Black–Scholes formula. The inputs used in the measurement of the fair value at grant date were as follows.

	2024	2023
Fair value at grant date (NOK)	10.84	12.01
Share price at grant date (NOK)	25.5	28.02
Exercise price (NOK)	28.92	32.68
Expected volatility (weighted average)	55%	58%
Expected life	4 years	4 years
Expected dividends	n/a	n/a
Risk–free interest rate (based on government bonds)	3.76%	3.26%

Expected volatility has been based on an evaluation of the historical volatility of the Company's share price particularly over the historical period equal to the expected term, adjusted for unusual movements when appropriate. The expected term of the instruments has been based on historical experience and general option holder behaviour.

Reconciliation of outstanding share options and RSUs

The number and weighted–average exercise prices of share options under the share option programmes were as follows:

	2024		2023	
Options	Number of options	Weighted –average exercise price (NOK)	Number of options	Weighted –average exercise price (NOK)
Outstanding at 1 January	8 486 513	34.88	6 870 483	35.82
Terminated during the year	(718 175)	32.60	(233 537)	33.01
Adjusted	–	–	–	–
Expired	–	–	–	–
Granted during the year	800 000	26.91	1 849 567	31.10
Outstanding at 31 December	8 568 338	31.48	8 486 513	34.87
Exercisable at 31 December	4 579 755	35.29	3 296 750	39.01

RSUs	2024 Number of options
Outstanding at 1 January	–
Terminated during the year	(11 524)
Adjusted	–
Expired	–
Granted during the year	128 169
Outstanding at 31 December	116 645
Exercisable at 31 December	–

Expense recognised in profit or loss

For details of the related employee benefit expenses, see the employee benefit expenses table.

Loans to other employees

(IN USD)	2024	2023
Loans to other employees	1 902 316	2 797 277

AUDITOR'S REMUNERATION

USD '000	2024	2023
Statutory audit	977.4	1 107.0
Non–audit services	54.0	–
Tax services	37.0	–
Other attestation services	222.4	23.1
Total fees	1 290.8	1 130.1

KPMG is the appointed auditor of the Group.

NOTE 7 Income taxes

ACCOUNTING POLICIES

The Company is not subject to any income taxes in Bermuda, but the Company and its subsidiaries may be subject to income tax in the countries in which they operate. The Group provides for tax on profit based on the profit for financial reporting purposes, adjusted for non-taxable revenue and expenses.

Income tax expense represents the sum of tax currently payable, changes in deferred tax liabilities and deferred tax assets, and withholding tax on charter hire and financial items. Charter hire and financial items are presented gross including withholding taxes payable where applicable.

The income tax expenses for the period comprise corporate income tax, withholding tax and deferred tax.

Depending on the jurisdiction, corporate income tax is due on the subsidiary's actual profits, and withholding tax is levied on a deemed profit basis or revenue basis (simplified calculation in lieu of profits tax). Deferred tax is calculated on temporary differences in jurisdictions where actual profits are the basis for taxation. Where the Group's activities are subject to withholding taxes, these are normally deducted by the customer who pays the taxes directly to the local tax authorities in the name of the Group.

The Group's operational activities are subject to taxation rates which range from 0 per cent to 35 per cent.

As the Group's operations are subject to different methods of taxation, income tax expenses will not necessarily change proportionally with changes in the overall net profit before tax. As a consequence of this, a reduction in net profit will often lead to a higher effective tax rate, while an increase in net profit can lead to a reduction in the effective tax rate.

TAX EXPENSE FOR THE YEAR

USD MILLION	2024	2023
Deferred tax effect of changes in temporary differences	(6.6)	(5.5)
Taxes payable current year	14.9	15.2
Taxes payable prior years	(1.7)	–
Withholding taxes	0.8	6.0
Total tax expense continuing operations recognised in statement of income	7.4	15.7

EFFECTIVE TAX RATE

USD MILLION	2024	2023
Profit/ (loss) before tax	127.2	113.3
Effect on permanent differences	(18.6)	(1.0)
Deferred tax effect of unrecognised deferred tax asset	1.9	6.0
Income tax at Bermuda statutory income tax rate of 0%	–	–
Withholding taxes	0.8	6.0
Taxes payable current year, non-Bermuda jurisdictions	14.9	15.2
Taxes payable prior years, non-Bermuda jurisdictions	(1.7)	–
Deferred tax effect of changes in temporary differences	(6.6)	(5.5)
Total income tax expense continuing operations at the effective income tax rate	7.4	15.7
Effective tax rate	5.8%	13.9%

TAX ASSETS AND LIABILITIES

USD MILLION	2024	2023
Tax payable at 31 December	13.8	18.4

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income becomes taxable.

Deferred tax liabilities and deferred tax assets are specified as follows:

USD MILLION	2024	2023
Deferred tax assets		
Vessels	2.1	–
Losses and unabsorbed capital allowances	61.1	60.7
Other	0.9	0.9
Deferred tax assets – gross	64.1	61.6
Deferred tax liabilities		
Vessels	–	(3.8)
Other	(10.5)	(11.8)
Deferred tax liabilities – gross	(10.5)	(15.6)
Net recognised deferred tax assets/(deferred tax liabilities)	53.6	46.0

Net recognised deferred tax assets are expected to be recovered or settled after more than 12 months. The Group has losses carried forward in Australia recognised as deferred tax asset of USD 60.7 million.

The Group also has tax losses carried forward in several jurisdictions which are not recognised. The losses carried forward are USD 447.7 million (USD 434.8 million). These losses are not recognised as it is not possible to predict with reasonable certainty whether adequate taxable profit will be available in the future against which losses can be utilised. USD 0.4 million will expire in 2025. Some of the tax losses have no expiry date.

Judgements and estimates

The Group is subject to income taxes payable to various jurisdictions across the globe. Significant judgement is required in some jurisdictions to determine the provision for income taxes. There are many transactions and calculations for which the final tax determination is uncertain during the ordinary course of business. The Group monitors each issue around uncertain tax treatments across the Group in order to ensure that the Group applies sufficient judgement to the resolution of tax disputes that might arise.

The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The income tax liabilities include any penalties and interest that could be associated with a tax audit issue. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will influence the income tax and deferred tax amounts in the period in which such determination is made.

NOTE 8 Trade, other current assets and other non-current assets

ACCOUNTING POLICIES

Trade, other current assets and non-current assets are measured at amortised cost using the effective interest method and are subject to impairment.

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
  a. the Group has transferred substantially all the risks and rewards of the asset, or
  b. the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

For trade and other receivables and other non-current assets, the Group applies a simplified approach in calculating Estimated Credit Losses (ECLs). Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date, based on its historical credit loss experience.

The Group considers a financial asset in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when the Group has no reasonable expectations of recovering the contractual cash flows. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. This assessment is based on historical experience of recoveries of similar assets. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

USD MILLION	2024	2023
Loan to employees	1.9	2.8
French Government tax incentive	–	4.5
Other receivables	6.1	5.0
Other non–current assets	8.0	12.3

USD MILLION	2024	2023
Trade receivables	133.9	93.2
Contract assets	19.0	18.2
Other receivables	11.5	36.4
Prepayments	5.3	4.6
Trade and other current assets	169.7	152.4

Trade receivables are shown net of a provision for expected losses of USD 0.8 million (USD 0.8 million).

The fair value of trade and other current assets is the same as the carrying amount.

The ageing analysis of trade receivables are as follows:

USD MILLION	2024	2023
Not past due	89.7	61.3
Up to 3 months	31.0	18.0
3 – 6 months	–	2.3
6 – 12 months	1.8	0.3
12 – > months	11.4	11.3
Trade receivables – net	133.9	93.2

As of 31 December 2024 and 2023, the expected credit loss for the Group related to customers was immaterial.

The carrying amount of the Group's trade and other receivables are mainly denominated in USD.

Movement in expected credit losses in respect of trade receivables are as follows:

USD MILLION	2024	2023
Balance at 1 January	0.8	20.0
Amounts written off	–	(13.4)
Net remeasurement of loss allowance	–	(5.8)
Balance at 31 December	0.8	0.8

Expected credit loss for other classes within trade and other receivables are immaterial.

NOTE 9 Cash and cash equivalents

Cash and cash equivalents are denominated primarily in USD, SGD, EUR, GBP and NOK. Restricted bank deposits at 31 December 2024 amounted to USD 0.9 million (USD 1.0 million). This relates to taxes withheld from employees.

NOTE 10 Property, plant and equipment

ACCOUNTING POLICIES

Measurement

PP&E are recognised at cost and subsequently measured at cost less accumulated depreciation and impairment charges. This includes costs of material, direct labour and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by Management, including attributable overheads and estimate of costs of demobilising the asset.

Borrowing costs directly attributable to an acquisition or construction of an asset, which take a substantial period to get ready for their intended use, are added to the cost of the asset until the assets are ready for their intended use. Borrowing cost consists of interest and other cost, which the entity incurs in connection with the borrowing of funds.

Subsequent costs such as life extension activities and repairs are included in the asset's carrying amount, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Depreciation

Depreciation will start when an item of PP&E is ready for intended use. For FPSOs this will be when the unit is successfully installed on the field.

When significant parts of an item of PP&E have different useful lives, those components are accounted for as separate items of PP&E. The different components are depreciated by using a straight-line method over their expected useful life, taking into account the residual value.

The estimated useful lives of the categories of PP&E are as follows:

FPSOs:

- Hull and Marine scope, including associated investments like refurbishment: 15–25 years.
- Field-specific equipment and associated investment costs which are incurred for a specific project, e.g. installation costs and transport costs: 3–25 years.
- Process equipment and associated investment. (In case of long-term contracts these items can be fully depreciated over the contract duration.): 10–25 years.

Other PP&Es, like IT equipment and office equipment, 3–10 years.

The assets' useful life and residual values are reviewed, and if necessary adjusted, at each reporting date.

Impairment

Assets including vessels, vessels under construction and other PP&Es, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount that the asset's carrying amount exceeds its recoverable amount, being the higher of an asset's net selling price and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separate identifiable cash flows (cash-generating units). Each FPSO is identified as a cash-generating unit.

At the end of each reporting period the Group will assess whether there is any indication that an impairment recognised in previous periods may no longer exist or may have decreased. If any such indication exists, the Group will estimate the recoverable amount of the asset. Previously recognised impairments should be reversed if there are significant changes with a favourable effect in the indicators.

VESSELS AND OTHER PROPERTY, PLANT AND EQUIPMENT

The owned fleet at 31 December 2024 included the following vessels: BW Adolo, BW Catcher and BW Pioneer.

BW Opal is under construction for the Barossa project.

Disposals

In April 2024, Petróleo Nautipa was sold for USD 9.9 million. As the consideration was higher than the current net book value, the Group consequently recorded a reversal of impairment loss of USD 1.1 million.

In March 2023, BW Opportunity was sold for USD 125.0 million. In April 2023, BW Athena was sold for 5.0 million. In June 2023, Espoir Ivoirien was sold for USD 20.0 million, including USD 3.0 million for inventory. In September 2023, Abo FPSO was sold for USD 20 million. The accounting gains and losses on these transactions have been recorded as part of Net gain/(loss) on the sale of property, plant and equipment.

In July 2023, Sendje Berge was sold for USD 15 million. As the consideration was lower than the current net book value, the Group consequently recorded an impairment loss of USD 5.1 million.

In April 2022, the Group signed an agreement for the sale of the FPSO Polvo to BW Energy. In May 2024, the Group received the remaining USD 20 million plus interest for the sale of FPSO Polvo to BW Energy, thereby completing the transaction.

2024 USD MILLION	Vessels in operation	Vessels under construction	Other property, plant & equipment	Total
Cost at 1 January 2024	2 640.0	1 823.3	38.7	**4 502.0**
Additions	0.2	477.1	0.3	**477.6**
Disposal	(157.5)	–	(0.3)	**(157.8)**
Exchange differences	–	–	(0.2)	**(0.2)**
Cost at 31 December 2024	2 482.7	2 300.4	38.5	**4 821.6**
Accumulated depreciation and impairment charge at 1 January 2024	(1 629.8)	–	(35.9)	**(1 665.7)**
Current year depreciation	(164.2)	–	(0.8)	**(165.0)**
Disposal	148.4	–	0.3	**148.7**
Impairment	1.1	–	–	**1.1**
Exchange differences	–	–	–	**–**
Accumulated depreciation and impairment charge at 31 December 2024	(1 644.5)	–	(36.4)	**(1 680.9)**
Book value at 31 December 2024	838.2	2 300.4	2.1	**3 140.7**
Useful life	Up to 25 years			
Capitalised interest cost for vessels under construction		92.8		

2023 USD MILLION	Vessels in operation	Vessels under construction	Vessels available for projects	Other property, plant & equipment	Total
Cost at 1 January 2023	3 308.3	1 097.0	579.2	46.8	**5 031.3**
Additions	13.2	726.3	27.3	0.9	**767.7**
Disposal	(681.5)	–	(606.5)	(9.7)	**(1 297.7)**
Exchange differences	–	–	–	0.7	**0.7**
Cost at 31 December 2023	2 640.0	1 823.3	–	38.7	**4 502.0**
Accumulated depreciation and impairment charge at 1 January 2023	(2 099.6)	–	(490.6)	(38.3)	**(2 628.5)**
Current year depreciation	(167.2)	–	(0.4)	(6.6)	**(174.2)**
Disposal	642.1	–	491.0	9.7	**1 142.8**
Impairment	(5.1)	–	–	–	**(5.1)**
Exchange differences	–	–	–	(0.7)	**(0.7)**
Accumulated depreciation and impairment charge at 31 December 2023	(1 629.8)	–	–	(35.9)	**(1 665.7)**
Book value at 31 December 2023	1 010.2	1 823.3	–	2.8	**2 836.3**
Useful life	Up to 25 years				
Capitalised interest cost for vessels under construction		62.6			

The FPSO capital expenditure in 2024 was mainly related to investments in BW Opal for the Barossa project.

The BW Opal contract is assessed to be an operating lease. The contract has a firm period of 15 years plus 10 years of options. BW Offshore are responsible for engineering, procurement, construction, installation and operation of the FPSO. The project is on track for first gas in the second half-year of 2025.

FPSO's capital expenditure in 2023 was mainly related to investments in BW Opal, as well as upgrade for the BW Adolo for the Ruche field outside Gabon and repair on the BW Opportunity.

Refer to Note 20 for information of committed cost relating to construction of FPSO.

Each vessel is regarded as a cash-generating unit for impairment testing. The recoverable amount is based on a value-in-use calculation for each of the vessels in the fleet. To estimate the recoverable amount, the Group makes assumptions on contracted net cash flows as well as uncontracted cash flows over the useful life for each vessel. Uncontracted cash flows have been estimated based on experience, expectations on future market conditions and return on invested capital. The assumptions made are built into different scenarios with different cash flows for each unit.

In connection with the evaluation of impairment indicators as of and for the period ending 31 December 2024, the Group has identified impairment triggers for one FPSO, BW Opal. As a result of cost increase driven by inflation supply change pressure, and design changes, the Group has performed an impairment test relating to BW Opal. The impairment testing did not identify any required impairments.

Cash flows were discounted at a rate of 7.1 per cent on a post-tax basis. The use of a post-tax discount rate does not result in a different determination of the need for, or the amount of, impairment (reversal) that would be required if a pre-tax discount rate had been used. The discount rate is based on Weighted Average Cost of Capital (WACC). The following assumptions have been made for the WACC:

- The equity risk premium is based on empirical data of comparable listed companies and is in consensus with the market risk premium observed from the study performed by the Norwegian Society of Financial Analysts. The Group has also included a small cap premium and ESG premium in setting the overall equity risk premium.
- The equity ratio is based on long-term assumptions on the Group's financial strategy and capital structure, as well as peer group balance sheet data.
- For the risk-free rate, the Group is using the US 10-year treasury yield as the basis for calculations.
- The debt margin used is based on inputs meant to mirror what market participants would demand if they were to choose an investment generating equivalent cash flows, with the same time horizon and level of risk as of the assessment date.
- For estimating beta, the Group has employed various regression models and peer averages to reach a metric of future equity risk for the FPSO segment and BW Offshore.

The value in use calculation is sensitive to assumptions and variables. The key factors for BW Opal are the WACC and increases in construction costs in the event of a delay at yard:

- An increase of the WACC by 1 percentage point would not lead to impairment of BW Opal.
- A 3-month delay at yard with the associated additional costs would not lead to impairment of BW Opal.
- An increase of construction costs of USD 50 million would not lead to an impairment of BW Opal.

The cost of debt component of the WACC used for impairment testing consists of a base rate and an estimated loan margin. A base rate of 3.8 per cent has been applied based on the USD 10-year swap rate observed in the market per year end 2024. The BW Opal debt has been hedged with interest rate swaps maturing in 2035 and with an average swap rate of 1.874 per cent. The benefit of the interest rate swap portfolio is not reflected in the WACC used for impairment testing.

Judgements and estimates

Depreciation

The level of depreciation depends on the estimated useful life of the different components of the assets and residual value at the end of its useful life. The estimated useful life is based on experience and knowledge of the vessels owned by the Group. Management will have to make assessments as to the expected useful life of the hull and marine scope as well as the process equipment for an FPSO. Assumptions will also have to be made about the expected contract period for non-recoverable components for the assets, which can deviate significantly from the useful life of hull and process equipment.

Assumptions on residual value are based on knowledge of current scrap values, which in turn depend on steel prices in the world market and demobilisation costs, together with an expected inflation.

Impairment

The Group periodically reviews whether vessels and other property, plant and equipment, for potential impairment indicators when circumstances indicate and at least on an annual basis.

The recoverable amounts of each vessel, being defined as a cash-generating unit, is the higher of its fair value less cost of disposal and its value in use. Value in use calculations are based on contracted cash flows and estimates of uncontracted cash flows for the useful lives of each vessel, including residual values discounted by an estimated discount rate.

All impairment assessment calculations demand a high degree of estimation. Management must make complex assessment of the expected cash flows arising from such assets and the selection of discount rates. Changes to these estimates could have significant impact on the impairments recognised and future changes may lead to reversals of recognised impairments.

NOTE 11 Intangible assets and goodwill

ACCOUNTING POLICIES

Goodwill

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units (CGUs) for the purpose of the annual impairment testing.

Technology

Technology acquired in a business combination is recognised at fair value at the acquisition date when intangible assets criteria are met and amortised on a straight-line basis over the useful life of fifteen years.

Impairment

Intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount that the asset's carrying amount exceeds its recoverable amount, being the higher of an asset's fair value less cost of disposal and its value in use.

USD MILLION	Software	R&D	Technology	Goodwill	Total intangible assets
Cost at 1 January 2024	4.8	6.8	65.9	28.2	105.7
Additions	1.0	2.4	–	–	3.4
Exchange differences	–	(0.6)	(4.0)	(1.7)	(6.3)
Disposal	(3.3)	–	–	–	(3.3)
Carrying amount at 31 December 2024	2.5	8.6	61.9	26.5	99.5
Amortisation and impairment at 1 January 2024	(4.3)	(1.3)	(12.3)	–	(17.9)
Current year amortisation	(0.2)	(1.1)	(4.2)	–	(5.5)
Exchange differences	–	0.2	0.8	–	1.0
Disposal	3.3	–	–	–	3.3
At 31 December 2024	(1.2)	(2.2)	(15.7)	–	(19.1)
Net book value at 31 December 2024	1.3	6.4	46.2	26.5	80.4
Useful life	1–3 years	5 years	15 years		
Amortisation method	linear	linear	linear		

USD MILLION	Software	R&D	Technology	Goodwill	Total intangible assets
Cost at 1 January 2023	10.7	4.6	64.0	27.4	106.7
Additions	0.4	2.0	–	–	2.4
Exchange differences	–	0.2	1.9	0.8	2.9
Disposal	(6.3)	–	–	–	(6.3)
Carrying amount at 31 December 2023	4.8	6.8	65.9	28.2	105.7
Amortisation and impairment at 1 January 2023	(10.5)	(0.5)	(7.7)	–	(18.7)
Current year amortisation	(0.1)	(0.8)	(4.3)	–	(5.2)
Exchange differences	–	–	(0.3)	–	(0.3)
Disposal	6.3	–	–	–	6.3
At 31 December 2023	(4.3)	(1.3)	(12.3)	–	(17.9)
Net book value at 31 December 2023	0.5	5.5	53.6	28.2	87.8
Useful life	1–3 years	5 years	15 years		
Amortisation method	linear	linear	linear		

Goodwill, Technology and R&D (Research & Development) were initially recognised in March 2021 as part of the acquisition of Ideol SA. R&D assets represent the accumulated capitalised development projects. BW Ideol is pursuing a number of initiatives around its Damping Pool® patented foundation technology including research and development of innovative building materials, mooring systems and construction methods.

Goodwill has an indefinite useful life and is tested for impairment at least annually.

Goodwill was tested for impairment as of 31 December 2024 and the impairment test also included the technology assets and equity accounted investments. A discounted cash flow model was used to determine the fair value less cost of disposal for the CGU. The projected cash flows were based on the most up-to-date forecast by management which includes probability weighted cash flows for prospective offshore wind projects using end-of life cash flows for projects identified. The impairment calculation demonstrated that the value in use exceeded the carrying amount of the CGU, thus no impairment loss was recognised.

KEY ASSUMPTIONS USED IN THE IMPAIRMENT CALCULATION INCLUDE:

Cash flows, project IRR, price of electricity

For the co-development activity, cash flows related to the estimated projects in portfolio include: (i) development expenses, including expenses related to engineering services provided by BW Ideol to each project during this phase, (ii) capital expenditures during construction phase, including royalties derived from BW Ideol's technology licensing, (iii) wind farm operating expenses and (iv) reimbursement of project finance debt. The tariff applied to the electricity sold is being determined by using a target IRR of 11 per cent estimated at the start of the development phase and takes into account the project financial structure and expenses profiles. An additional probability to successfully develop the project is also applied, ranging from 25 per cent to 100 per cent, depending on the maturity of the opportunity (identified project, tender phase, development phase). To reflect the commercial terms reached with ADEME Investissement, all projects under co-development-are targeted to be sold at the end of the development period ("FID"). An exit price is therefore being determined using a target IRR for the acquirer ranging from 6.73 per cent to 9.86 per cent and benchmarked with known sectorial transactions. This approach implies that BW Ideol is essentially involved as a co-developer during the effective development phase of a project, phase that needs to be financed with equity, and does not necessarily intend to remain an investor during construction and operation phases.

For the Fabrication Lines activity, cash flows related to potential floating foundations construction and sale contracts include engineering services during the development phase, capital expenditures — partly financed by non-recourse debt, and equity – , procurement and workforce expenses for building the floating foundations, including payment of royalties to BW Ideol as part of technology licencing, and revenues from disposal of built floating foundations to co-EPCI activity. Please note that probabilities of success for contracts are also applicable for Fabrication projects of which BW Ideol is co-developer and external projects.

For the co-EPCI activity, cash flows are related to procurement to offshore wind farm developers of floating foundations, complete with designed and procured mooring systems, and potential storage, transportation and installation services. They include all expenses linked to the performance of abovementioned studies and procurement, including insurance and subcontracting of engineering activities, including to BW Ideol. Please note that probabilities of success for contracts are also applicable for co-EPCI projects of which BW Ideol is co-developer and external projects.

Discount rate and sectorial WACC

For the co-development activity, each project has been valued using a different discount rate to reflect the maturity of the opportunity, with WACC ranging from 7.0 per cent to 11.5 per cent. In order to assess the relevance of our implied discount rate based approach to valuation, we have determined a sectorial post-tax Weighted Average Cost of Capital (WACC) derived from the Capital Asset Pricing Model (CAPM) methodology and incremental borrowing rate, assuming cash flows in Euro. A selected sample of comparable companies active in the renewable power sector was established. The WACC is based on a risk-free rate of 3.0 per cent based on the trailing six-month average yield maturity in France (source: Banque de France), and a market risk premium of 5.5 per cent. The estimated unlevered beta for equity was 0.48. The equity to total capital ratio was 77.9 per cent. A 25 per cent generic tax rate on corporate, irrespective of the specificities of the countries in activity. Country risk premium, inflation differential and project specific risk premiums, ranging from 3 per cent to 7 per cent in order to capture the maturity of the opportunities, have been integrated.

For the co-EPCI, fabrication lines, and top company (BW Ideol) activities, each business has been valued using a different discount rate to reflect the maturity of the opportunity, with WACC ranging from 13.5 per cent to 14.5 per cent. In order to assess the relevance of our implied discount rate based approach to valuation, we have determined a sectorial post-tax Weighted Average Cost of Capital (WACC) derived from the Capital Asset Pricing Model (CAPM) methodology and incremental borrowing rate, assuming cash flows in Euro. A selected sample of comparable companies active in the renewable power sector was established. The WACC is based on a risk-free rate of 3.0 per cent based on the trailing six-month average yield maturity in France (source: Banque de France), and a market risk premium of 5.5 per cent. The estimated unlevered beta for equity was 0.54. The equity to total capital ratio was 37.9 per cent. A 25 per cent generic tax rate on corporate, irrespective of the specificities of the countries in activity. Finally, a company size / specific risk premium of 10.6 per cent has been taken into account to reflect the unsecured aspect of EPCI/Fabrication future projects.

Testing procedures of BW Ideol's single CGU related goodwill as of 31 December 2024 are conducted to meet IFRS requirements, and especially IAS 36. In compliance with IAS 36, BW Ideol's recoverable value was based on the estimation of its value in use derived from a discounted cash flow approach and is equivalent to BW Ideol's enterprise value as of 31 December 2024. To determine the recoverable value of assets, the value in use derived from future cash flows was considered.

SENSITIVITIES

Sensitivity to EPCI Portfolio success rate

A reduction of 50 per cent of the probabilities of success of all projects identified in the EPCI pipeline would result in an impairment charge of USD 13 million.

Sensitivity to CoDev Portfolio success rate

A reduction of 50 per cent of the probabilities of success of all projects identified in the co-development pipeline would not result in any impairment charge, as it would lead to a decrease of USD 36 million in impairment test, but still with a positive headroom of USD 32 million.

Sensitivity to IRR at exit for co-development projects

An increase of 2.0 per cent of the target IRR used to derive project exit value at FID would not result in any impairment charge, as it would lead to a decrease of USD 57 million in impairment test, but still with a positive headroom of USD 11 million.

Discount rate

A 2.0 per cent increase in the discount rates would not result in an impairment of goodwill and technology assets.

Judgements and estimates

Valuations performed in light of the impairment test of goodwill and technology assets demand a high degree of estimation. Management must make complex assessments of the expected cash flows arising and discount rates used in the valuation models. Changes to these estimates could have significant impact on the impairments recognised and future changes may lead to additional impairments.

The financial forecasts used in the goodwill and technology asset impairment test reflect management's judgement on the probability of realising projects, and for those projects expected to be developed, the development and capital expenditures, operating expenses and the tariff applied to the electricity sold, which is being determined using a target internal rate of return as well as the discount rate. This judgement is based on present circumstances at the valuation date, as to the most likely set of conditions and the course of action it is most likely to take. It is usually the case that some events and circumstances do not occur as expected or are not anticipated. Therefore, actual results during the forecast period will almost always differ from the forecasts and, as such, differences may be material. In addition, floating offshore wind is a new industry with no commercial projects yet established globally, resulting in a high degree of estimation uncertainty related to the identification of prospective projects and chances of acquiring such projects.

NOTE 12 Equity-accounted investees

ACCOUNTING POLICIES

The Group's interests in equity-accounted investees comprise interests in associates and joint ventures.

Associates are those entities in which the Group has a significant influence, but not control, or has joint control, over the financial and operating policies, generally accompanying a shareholding of between 20 per cent and 50 per cent of the voting rights. Joint ventures are joint arrangements in which the parties that share control have rights to the net assets of the arrangement, rather than rights to its assets and obligation for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method. They are initially measured at cost, including transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity-accounted investees, until the date on which significant influence or joint control ceases.

USD MILLION	2024	2023
Interest in joint ventures	209.6	185.4
Interest in associates	16.8	199.4
Balance at 31 December	226.4	384.8

As at 31 December 2024, Equity-accounted investees relates mainly to the investment in BW Offshore AUS-JV Pte Ltd.

As at 31 December 2023, Equity-accounted investees also included the investment in BW Energy Limited (BWE). In January 2024, the Group sold all of its shares in BW Energy Limited, total of 58 111 461 shares at a price of NOK 32 per share, resulting in total proceeds to BWO Offshore of NOK 1 860 million or approximately USD 176 million. Due to currency fluctuations, a loss of USD 4.8 million related to the sale was recognised in 2024.

For BW Offshore AUS-JV Pte. Ltd., the shareholders agreements between the Group and the external investors resulted in the Group and the external investors having joint control over this company. The Group's interest in BW Offshore AUS-JV Pte. Ltd. is accounted for using the equity method in the consolidated financial statements.

Refer to Note 7 for information about deferred tax asset, Note 14 for information about lending agreements and Note 20 for information about guarantees.

Summarised financial information of the joint venture and reconciliation with the carrying amount of the investment in the consolidated financial statements are set out below.

USD MILLION	2024	2023
Percentage ownership interest	51.0%	51.0%
Non-current assets	1 505.5	1 150.9
Current assets	20.0	59.9
Non-current financial liabilities	1 042.1	867.2
Current liabilities	61.5	1.6
Net assets (100%)	421.9	342.0
Group's share of net assets	215.2	174.4
Elimination of internal net interest	(33.7)	(14.2)
Carrying amount of interest in joint venture	181.5	160.2
Net interest income/(expense)	26.8	24.3
Profit for the year (100%)	24.7	22.1
Other comprehensive income (100%)	29.3	7.6
Total comprehensive income for the year (100%)	54.0	29.7
Total comprehensive income for the year (51%)	27.5	15.1
Elimination of internal net interest	(19.4)	(12.2)
Group's share of total comprehensive income for the year	8.1	2.9

Additionally, the Group has interests in four individually immaterial joint venture/associates, Buchan Offshore Wind Limited, OCS Services Limited, Euro Techniques Industries and Fram Wind Solutions AS.

For OCS Services Limited (OCS), the Group owns 50 per cent, but does not have joint control over this investment. The partner oversees the daily operation of the company while the Group act as an investment partner. The Group does not have power over more than half of the voting rights in OCS. Further, the Group does not have the power to cast the majority of votes at meetings of the Board of Directors or equivalent governing body. As the Group only acts as an investment partner, OCS is considered an associate. The Group’s interest in OCS is accounted for using the equity method in the consolidated financial statements.

The Group acquired 33.5 per cent ownership interest in Buchan Offshore Wind Limited in April 2022. The carrying amount of interests in Buchan Offshore Wind Limited was USD 27.6 million at 31 December 2024 (USD 24.8 million).

The following table analyses the carrying amount and share of profit and OCI of these associates.

USD MILLION	2024	2023
Carrying amount of interests in associates	16.8	42.2
Share of:		
Profit/(loss)	(6.6)	5.1
OCI	-	-

An equity accounted investment may be impaired and the investor required to test the carrying amount for impairment if objective evidence of impairment exists. Judgements are made in determining if there is objective evidence of impairment exist. Impairment testing for associates and joint ventures also requires significant judgements and estimates to be made.

During the year ended 31 December 2024, the group has recognised an impairment loss of USD 3.0 million in relation to one of our equity accounted investments as we determined that the carrying value of our investment was less than the recoverable amount. The Impairment loss is recognised in Share of profit/(loss) on equity-accounted investees.

NOTE 13 Capital and reserves

ACCOUNTING POLICIES

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in the equity as a deduction, net of tax, from the proceeds.

Treasury shares

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognised as a reduction from equity. Repurchased shares are classified as treasury shares and are presented in the treasury share reserve. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity and the resulting surplus or deficit on the transaction is presented within share premium.

Preference shares

Preference shares in subsidiaries are presented as shareholders' equity. As these preference shares in subsidiaries are not held by the Group directly, these are presented as non–controlling interest and the result to those preference shares, equivalent to the preference dividend, is presented as the non–controlling interests share of the result regardless of whether dividends have been paid or accumulated. Refer to Note 19.

Compound financial instruments

Compound financial instruments issued by the Group comprise convertible bonds denominated in USD, that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of compound financial instruments is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised as the difference between the fair value of the compound financial instrument and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured, unless repurchases of convertible bonds occur before maturity. Upon repurchase, the difference between the repurchase price and carrying amount is allocated between the liability component, equity component and a potential gain or loss is recognised in the consolidated statement of income.

Interest related to the financial liability is recognised in the consolidated statement of income. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognised.

SHARE CAPITAL

Authorised share capital:

At 1 January 2024:	214 000 000 ordinary shares at par value USD 0.50 each
At 31 December 2024:	214 000 000 ordinary shares at par value USD 0.50 each

Issued and fully paid	USD THOUSAND
At 1 January 2024	92 478.2
At 31 December 2024	92 478.2

HEDGING RESERVE

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss.

TREASURY SHARE RESERVE

The reserve for the Company's treasury shares comprises the cost of the Company's shares held by the Group. At 31 December 2024, the Group held 4 141 437 of the Company's shares (4 141 437). Book value of the treasury shares was USD 10.1 million at 31 December 2024 (USD 10.1 million).

DIVIDENDS

The following dividends were declared and paid by the Company for the year.

USD MILLION	2024
Fourth quarter 2023: USD 0.088 per qualifying ordinary share	15.9
First, second and third quarter: USD 0.0625 per qualifying ordinary share	33.9
	49.8

USD MILLION	2023
Fourth quarter 2022: USD 0.035 per qualifying ordinary share	6.3
First, second and third quarter: USD 0.035 per qualifying ordinary share	19.0
Fourth quarter 2022: Dividend shares — 1 697 868 BWE shares	4.2
First quarter: Dividend shares — 1 933 051 BWE shares	4.7
Second quarter: Dividend shares — 1 897 018 BWE shares	4.8
Third quarter: Dividend shares — 1 933 935 BWE shares	4.3
	43.3

Refer to 'Shareholder information' section for information on the 20 largest shareholders at 31 December 2024.

Refer to Note 18, Non-controlling interests, for information on preferred dividends.

NOTE 14 Loans and borrowings

ACCOUNTING POLICIES

Loans and borrowings are measured at amortised cost using the effective interest rate method and are derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

			Carrying amount long term		Carrying amount short term		Total interest-bearing debt	
USD MILLION	Effective interest rate	Maturity date	**2024**	2023	**2024**	2023	**2024**	2023
USD 295 million Corporate Facility	USD SOFR + 2.50%	10-July-28	**(1.4)**	48.0	**(0.6)**	(0.6)	**(2.0)**	47.4
Convertible Bond	2.50%	12-Nov-24	**-**	-	**-**	184.9	**-**	184.9
USD 200 million Catcher Facility	USD SOFR + 2.25%	17-Feb-27	**84.8**	141.5	**56.6**	56.6	**141.4**	198.1
Other facilities	3.50%	30-Jun-26	**3.2**	3.8	**1.7**	1.8	**4.9**	5.6
BWO06 – NOK 1 000 million Bond	NIBOR + 5.00%	29-Nov-28	**87.3**	97.4	**(0.2)**	(0.2)	**87.1**	97.2
Total long-term debt			**173.9**	290.7	**57.5**	242.5	**231.4**	533.2

The Group is in compliance with all covenants on 31 December 2024. Covenants are calculated and reported on consolidated financials.

USD 295 MILLION CORPORATE FACILITY

In July 2023, the Group refinanced the previous USD 672.5 million revolving credit facility (RCF) into a new five-year senior secured USD 295 million RCF. The new facility is priced at a margin of 250 basis points above USD SOFR and is provided by a consortium of ten international banks. The Group had USD 234 million undrawn under the revolving credit facility at 31 December 2024.

The USD 295 million Corporate Facility is subject to certain covenants, including minimum book equity of at least 25 per cent of total assets, debt to EBITDA of maximum 5.5, minimum USD 75 million available liquidity including undrawn amounts and interest coverage ratio of minimum 3.0.

CATCHER USD 200 MILLION FACILITY

In November 2023, the Group refinanced the previous USD 800 million senior secured pre- and post-delivery term loan facility into a new USD 200 million three-and-a-half-year facility. The new facility is priced at a margin of 225 basis points above USD SOFR and is provided by a consortium of seven international banks. The facility is subject to financial covenants similar to the covenants under the USD 295 million Corporate Facility.

BWO06 – NOK 1 000 MILLION BOND

In November 2023, BW Offshore Limited successfully completed the placement of a NOK 1 000 million senior unsecured bond with maturity 29 November 2028. The proceeds from the bond loan were used to partly repay the existing bond loan. The bond loan is subject to certain covenants, including minimum book equity of at least 25 per cent of total assets and minimum USD 75 million available liquidity including undrawn amounts available for utilisation by the Group.

OTHER FACILITIES

Other facilities comprise interest-bearing debt in BW Ideol Group. All debt is in EUR.

CONVERTIBLE BOND

During the fourth quarter of 2019, BW Offshore Limited issued a USD 297.4 million convertible bond with a five–year tenor and coupon of 2.50 per cent per annum, payable semi–annually in arrears. The convertible bond had no regular repayments and matured in full on 12 November 2024. No amounts were outstanding at 31 December 2024.

USD MILLION	
Proceeds from issue of convertible bonds	297.4
Transaction costs	(3.8)
Net proceeds	293.6
Amount classified as equity (net of transaction costs of USD 0.7 million)	(50.1)
Accrued interest	43.0
Repayment of convertible bonds	(289.7)
Expensed capitalised borrowing costs	3.2
Carrying amount of liability at 31 December 2024	–

The financial liability related to the BW Opal lease has a carrying amount of USD 1 347.4 million (USD 1 022.1 million) and implicit interest of 7.87 per cent at 31 December 2024. The financial liability is accounted for under IFRS 9 and any changes to expected future cash flows are recognised in profit and loss. In 2024 the Group recorded a financial gain of USD 12.0 million, caused by changes in the expected mix of future net cash flows including timing of the cashflows. The joint venture recognised a corresponding loss which, a portion of which is included in Share of profit/(loss) of equity–accounted investees. Reference to Note 16 Financial instruments — Fair values and risk management for information on Barossa finance liability.

RECONCILIATION OF MOVEMENTS OF LIABILITIES AND EQUITY TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	Interest payable	Other liabilities	Liabilities		Equity	Total
USD MILLION			Interest-bearing short-term debt	Interest-bearing long-term debt[1]		
Balance at 1 January 2024		12.0	242.5	1 312.8	1 195.3	
	–					
Proceeds from loans and borrowings	–	–	–	163.0	–	**163.0**
Paid dividend and redemption	–	–	–	–	(28.8)	**(28.8)**
Interest paid	(13.6)	–	–	–	–	**(13.6)**
Repayment of loans and borrowings	–	–	–	(118.6)	–	**(118.6)**
Repurchase of convertible notes	–	–	(191.9)	–	–	**(191.9)**
Payment of lease liabilities	–	(6.4)	–	–	–	**(6.4)**
Dividends paid	–	–	–	–	(49.8)	**(49.8)**
Total changes from financing cash flows	(13.6)	(6.4)	(191.9)	44.4	(78.6)	**(246.1)**
Effects of changes in foreign exchange rate and interest rate swaps		(0.9)	(0.2)	(10.3)	–	**(11.4)**
Liability-related:						
Expensed and capitalised borrowing costs		–	0.6	1.3	–	**1.9**
New leases/adjustments		13.4	–	–	–	**13.4**
Interest expense		1.2	–	–	–	**1.2**
Accrued interest		–	6.5	–	–	**6.5**
Non-cash movements		–	–	173.1	–	**173.1**
Total liability-related other changes		14.6	7.1	174.4	–	**196.1**
Total equity-related other changes		–	–	–	129.2	**129.2**
Balance at 31 December 2024		19.3	57.5	1 521.3	1 245.9	

[1] Inclusive finance liability relating to Barossa lease

	Interest payable	Other liabilities	Liabilities		Equity	Total
USD MILLION			Interest-bearing short-term debt	Interest-bearing long-term debt[1]		
Balance at 1 January 2023		17.9	205.3	1 048.5	1 151.1	
Proceeds from loans and borrowings	–	–	–	911.9	–	**911.9**
Proceeds from sale of non controlling interest	–	–	–	–	18.9	**18.9**
Paid dividend and redemption	–	–	–	–	(29.7)	**(29.7)**
Interest paid	(19.7)	–	–	–	–	**(19.7)**
Repayment of loans and borrowings	–	–	(98.8)	(490.9)	–	**(589.7)**
Repurchase of convertible notes	–	–	–	(41.2)	–	**(41.2)**
Payment of lease liabilities	–	(6.3)	–	–	–	**(6.3)**
Dividends paid	–	–	–	–	(25.3)	**(25.3)**
Total changes from financing cash flows	(19.7)	(6.3)	(98.8)	379.8	(36.1)	**218.9**
Effects of changes in foreign exchange rate and interest rate swaps		(0.2)	7.3	4.9	–	**12.0**
Liability-related:						
Expensed capitalised borrowing costs		–	0.9	(3.0)	–	**(2.1)**
New leases/adjustments		0.1	–	–	–	**0.1**
Interest expense		0.5	–	–	–	**0.5**
Accrued interest		–	–	8.1	–	**8.1**
Non-cash movements		–	127.8	(125.5)	–	**2.3**
Total liability-related other changes		0.6	128.7	(120.4)	–	**8.9**
Total equity-related other changes		–	–	–	80.3	**80.3**
Balance at 31 December 2023		12.0	242.5	1 312.8	1 195.3	

[1] Inclusive finance liability relating to Barossa lease

NOTE 15 Trade, other payables and other non–current liabilities

ACCOUNTING POLICIES
Trade, other payables and other non–current liabilities are measured at amortised cost using the effective interest rate method and are derecognised when the obligation under the liability is discharged or cancelled or expires. Trade and other payables are normally not discounted.

USD MILLION	2024	2023
Trade payables	13.9	79.5
Accrued vessel expenses	13.2	21.6
Accrued other expenses	30.3	31.2
Accrued construction expenses	29.6	18.9
Public duties payables	6.1	10.9
Contract liabilities	22.9	–
Deferred revenues	21.6	67.4
Total trade and other payables	137.6	229.5

USD MILLION	2024	2023
Deferred revenues	1 021.0	910.2
Other long–term liabilities	8.7	8.7
Total other non–current liabilities	1 029.7	918.9

Deferred revenues primarily relate to the advance consideration received from customers for which revenue is recognised over time, mainly over the remaining contract period. The increase in deferred revenues mainly relates to the Barossa contract. Refer to Note 3 for further information of contract liabilities.

NOTE 16 Financial instruments – fair values and risk management

ACCOUNITNG POLICIES

Financial assets

The Group's financial assets are derivatives, trade and financial lease receivables and cash and cash equivalents.

The Group classifies its financial assets in two categories:

- Financial assets at amortised cost. Refer to accounting policies in Note 8.
- Financial assets at fair value through profit or loss (FVTPL).

Financial assets at fair value through profit or loss

Derivatives at fair value are carried in the statement of financial position at fair value with net changes in fair value through the profit or loss. The category includes foreign exchange contracts and interest rate swaps.

Financial liabilities

Financial liabilities are classified as measured at amortised cost except for financial liabilities held for trading or designated at fair value through profit or loss (FVTPL). Refer to accounting policies in Note 15.

The Group's financial liabilities at FVTPL is Derivative liabilities. Derivatives are financial liabilities when the fair value is negative, accounted for similarly as derivative assets.

Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency risk exposures. Derivatives are initially measured at fair value and changes are generally recognised in profit and loss unless the derivative is designated in a hedging relationship.

Cash flow hedges

The Group applies hedge accounting for the forward exchange hedging related to the construction contract of BW Opal for the Barossa contract.

For these derivatives, the Group has documented the risk management objective and strategy for undertaking the hedge, the relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

The effective portion any fair value changes of derivatives designated as a cash flow hedging instrument are recognised in OCI and accumulated in the hedging reserve. Any ineffective portion of changes in fair value of the derivative is recognised immediately in profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

The Group's finance function has the responsibility for financing, treasury management and financial risk management.

FINANCIAL RISK FACTORS

Its activities expose the Group to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk, liquidity risk and climate risk.

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. A finance management team led by the Chief Financial Officer identifies and evaluates financial risks in close co-operation with the Group's operating units. The finance management team's activities are governed by policies approved by the Board of Directors for overall risk management, as well as policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk and investing excess liquidity. The finance management team report to the Group's Senior Management team, the Audit Committee and the Board of Directors on the status of activities on a regular basis.

The Group observes a trend of capital being reallocated from hydrocarbons towards electrification and low carbon emission energy projects. The effect is an increasing cost of capital for the oil and gas sector. However, the Group has been successful in financing projects by keeping an open dialogue on ESG performance with key lenders and partners. The Group is committed to contributing to the energy transition by developing clean energy production solutions as part of its strategy, applying its offshore engineering and operations capabilities to drive future value creation.

The Group does not use financial instruments, including financial derivatives, for trading purposes.

MARKET RISK

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, and will affect the Group's income or the value of its holding of financial instruments. The Group has international operations and therefore a combination of natural and financial hedging. The Group uses derivatives like FX forwards and interest rate swaps to manage market risk.

Foreign currency risk

The functional currency of the Company and most of its subsidiaries is USD. In general, most operating revenues and a significant portion of operating expenses as well as most interest-bearing debt are denominated in USD. The Group is exposed to expenses and investments incurred in currencies other than USD ('foreign currencies'); the major currencies being Norwegian Kroner ('NOK'), Singapore Dollars ('SGD'), Euro ('EUR') and British Pounds ('GBP'). Operating expenses denominated in NOK, SGD, GBP and EUR constitute a part of the Group's total operating expenses. Capital expenditures related to construction projects, repair and upgrade activities on FPSOs would also to some extent be denominated in other currencies than USD. Consequently, fluctuations in the exchange rate on NOK, SGD, GBP, and EUR may have significant impact on the financial statements of the Group.

The Group enters into forward contracts to reduce the exchange rate risk on cash flows nominated in foreign currencies, both related to construction projects and to operating and administrative expenses. The Group does not apply hedge accounting for hedging of its operational and administrative expenses in foreign currencies and the changes in valuation are taken over the profit and loss statement. The exchange rate risk is calculated for each foreign currency and takes into account assets and liabilities, liabilities not recognised in the balance sheet and expected purchases and sales in the currency in question. Currency hedges and other currency effects include changes in fair value of currency hedges, effects of settlement of these hedges, and other currency effects related to operating cash flows.

The Group had no foreign currency contracts at 31 December 2024. Total nominal value of the Group's foreign currency contracts was USD 67.1 million at 31 December 2023. Fair value of the foreign currency contracts amounted to positive USD 0.7 million in 2023 and are presented gross in the statement of financial position. Net effect of forward exchange contracts recognised in the statement of income in 2024 is negative by USD 0.3 million (negative by USD 3.0 million).

The Group is exposed to foreign currency risk on bonds issued in NOK. The foreign currency exposure of BWO06 is hedged through cross-currency swaps with a nominal value of USD 93.1 million. The market value of the cross-currency swaps was negative by USD 6.7 million at 31 December 2024 (positive USD 5.7 million).

The Group seeks to apply hedge accounting for larger construction projects to manage volatility in the income statement and statement of comprehensive income. BW Offshore has applied hedge accounting for the foreign exchange hedging related to the construction contract of BW Opal for the Barossa project. The Group had no foreign currency contracts at 31 December 2024 as the project is nearly completed and plans to cover the remaining currency exposure spot as the project progresses.

The Group uses forward currency contracts to eliminate the currency exposure once the Group has entered into a firm commitment of a project contract. For foreign currency risk, the principal terms of the forward currency contract (notional and settlement date) and the future expense (or revenue) (notional and expected cash flow date) are identical. The foreign exchange derivatives are entered to match the respective supplier payments.

The following are identified as sources of hedge ineffectiveness:

- Over-hedging – if the total amount of exposure is less than the notional amount hedged.
- Timing mismatch – if the hedged transaction and the maturity date of the hedging instrument does not occur withing the same 31-day period or fiscal month.

The net effect of the hedge accounting recognised in other comprehensive income amounts to negative USD 0.5 million (positive USD 4.4 million in 2023). Hedge ineffectiveness recognised in profit or loss during 2024 and 2023 were immaterial.

Cash flow hedges

The Group had no foreign currency contracts at 31 December 2024.

On 31 December 2023, the Group held the following instruments to hedge exposures to changes in foreign currency.

2023	1–6 months	6–12 Months	More than one year
Foreign currency risk			
Forward exchange contracts			
Net exposure (in USD million)	67.1		
Average USD:SGD forward contract rate	1.3		
Average USD:NOK forward contract rate	9.8		
Average USD:EUR forward contract rate	0.9		

Sensitivity analysis

A reasonably possible strengthening (weakening) of the NOK, SGD and EUR against USD on 31 December 2023 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecasts.

	Profit or loss		Equity, net of tax	
USD MILLION	Strengthening	Weakening	Strengthening	Weakening
31 December 2023				
NOK (5% movement)	0.2	(1.2)	0.2	(1.2)
SGD (5% movement)	–	–	1.8	(0.8)
EUR (5% movement)	2.2	0.5	2.2	(0.5)

Interest rate risk

The Group is exposed to interest rate risk through its funding activities. Most of the Group's interest–bearing debt has floating interest rate conditions, making the Group subject to influence of changes in the market rates. The Group aims to hedge at least 50 per cent of its interest rate exposure.

As of 31 December 2024, the Group's floating rate debt amounted to USD 230.8 million (USD 348.3 million).

The Group holds interest rate swaps with a nominal value of USD 393.1 million with maturity during 2026–2030. The weighted average interest swap rate was 2.3 per cent on 31 December 2024. The swaps are held to hedge the quarterly cash flows from floating rate interest payments on the Corporate Facility, the Catcher facility and BWO06. The market value of the interest swaps was positive by USD 24.6 million on 31 December 2024 (2023: positive USD 30.9 million) and the changes in fair value have been recognised as a fair value gain on financial instruments.

A reasonable possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown in the table below. The analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Profit or loss		Equity, net of tax	
USD MILLION	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31 December 2024				
Debt	(2.3)	2.3	(2.3)	2.3
Interest rate swaps	3.9	(3.9)	3.9	(3.9)
Cash flow sensitivity	1.6	(1.6)	1.6	(1.6)
31 December 2023				
Variable rate instruments	(3.4)	3.4	(3.4)	3.4
Interest rate swaps	4.7	(4.7)	4.7	(4.7)
Cash flow sensitivity	1.3	(1.3)	1.3	(1.3)

CREDIT RISK

Credit risk is the risk of financial losses if a customer or counterparty to financial receivables and financial instruments fails to meet contractual obligations.

Loans, credit facilities, financial guarantees and derivatives are only conducted with approved counterparties and predominantly with investment grade financial institutions, and are governed by standard agreements (ISDA, Nordic Trustee and LMA documentation). The Group has policies in place limiting the amount of credit exposure against any financial institution. The maximum risk exposure is represented by the carrying amount of the financial assets in the balance sheet except for financial guarantees.

The Group assesses the credit quality of its customers on a regular basis, considering their financial position, credit ratings from international credit rating agencies if available, experience and other factors. New projects and clients will similarly be assessed by reviewing financial statements and external credit ratings, in addition to country–risk, which will be evaluated in relation to potential financing and legal impact of agreements. Parent company guarantees are negotiated with customers and the Group will normally have contractual clauses to prevent a customer from novating the lease contract to counterparts with credit rating lower than investment grade (or comparable proxy), without consent. Given the limited number of major customers of the Group and the significant portion these represent to the Group's revenue, the inability of one or more of them to make full payment on any of the Group's contracted units may have a significant adverse impact on the financial position.

The wars in Ukraine and the Middle East and general market uncertainties has increased the credit risk in most industries. With the additional factors of volatile commodity prices and an increasing transition towards greener energy, credit risk has increased more in the oil and gas industry compared with other industries. As most of the Group's portfolio is with financially solid counterparties, the Group believes that the credit risk related to counterparties is at an acceptable level.

Overdue trade receivables were USD 44.2 million at the end of 2024, of which USD 17.5 million was paid in January 2025. Overdue trade receivables were USD 31.4 million at the end of 2023. The overdue trade receivable includes outstanding balance towards Petro Rio Exploração e Produção de Petróleo Ltda. Refer to Note 21 for further information.

The Group is also exposed to certain credit risk related to agreements entered into with suppliers such as yards used for construction projects. The Group manages its exposure to such risks through a thorough evaluation of the counterparty's financial position, external credit rating if available, and its backlog and ability to deliver on time, and subsequently by continuous monitoring of larger counterparties.

The Group regards its maximum credit risk exposure to the carrying amount of trade receivables (refer to Note 8) and other current assets.

LIQUIDITY RISK

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions in order to meet obligations of finance liabilities when they become due. Due to the dynamic nature of the underlying businesses, the Group maintains sufficient cash for its daily operations and its investment programme via short–term cash deposits at banks and a commitment to make available funds from the unutilised portion of revolving facilities offered by financial institutions to the Group.

In 2021, the Group completed the debt financing and the equity joint venture partnership for the Barossa project. The Barossa project is financed by a 14–year combined construction and long–term debt facility of USD 1.150 billion with a syndicate of nine international banks and by USD 240.0 million from the equity joint venture, consisting of BW Offshore (51 per cent) and ICMK Offshore Investment Pte Ltd (a 50:50 JV of ITOCHU Corporation and a subsidiary of Meiji Shipping Co Ltd) (25 per cent) and Macquarie Bank Limited (24 per cent). In addition, approximately USD 1 billion in pre–payments will be paid by the Barossa Upstream Joint Venture Partners during the construction period. These pre–payments are linked to progress and milestones of the project. By end of 2024, a total of USD 981.6 million had been received as per plan, USD 221.0 million was injected in total by equity partners and USD 1 062.0 million was drawn under the loan facility.

The Group monitors the liquidity through cash flow forecasting of operational and investment activities in the short–, medium– and long–term.

The refinancing of the USD 295 million Corporate Facility and Catcher facility in 2023 and the placement of the BWO06 bond in 2023 extended tenors of the Groups financings, cashflows from continuing operations and sale of BW Energy shares in January 2024 are sufficient to fulfil short–term financial obligations. Production from BW Catcher throughout 2024 has been a significant contributor to the cash flow of the Group together with BW Pioneer, BW Adolo, in addition to the divestments of non–core assets.

The following table sets out the maturity profile of the Group's financial liabilities based on contractual undiscounted payments. When counterparties have a choice of when to settle an amount, the liability is included based on the earliest date of which the counterparty can require settlement.

Maturity profile – financial liabilities, Year ended 2024

USD MILLION	Carrying amount	Q1 25	Q2 25	Q3 25	Q4 25	2025	2026–2029	2030 and beyond	Total
USD 295 million Corporate Facility	(2.0)	–	–	–	–	–	–	–	**–**
USD 200 million Catcher Facility	141.4	14.3	14.3	14.3	14.3	57.2	85.6	–	**142.8**
BWO06 – NOK 1 000 million bond[1]	87.1	–	–	–	–	–	93.1	–	**93.1**
Other facilities	4.9	0.4	0.4	0.4	0.4	1.6	3.3	–	**4.9**
Finance liability related to Barossa lease	1 347.4	–	–	23.5	21.7	45.2	232.2	1 070.0	**1 347.4**
Interest rate swaps[2]	(17.9)	(2.7)	(2.7)	(2.7)	(2.7)	(10.8)	(29.7)	(0.5)	**(41.0)**
Interest payments	2.7	5.2	4.7	4.5	4.3	18.7	32.4	–	**51.1**
Lease liabilities	19.3	1.3	1.3	1.3	1.3	5.2	16.1	0.3	**21.6**
Trade and other payable current	137.6	44.8	30.9	30.9	30.9	137.6	–	–	**137.6**
Total	1 720.5	63.3	48.9	72.2	70.2	254.7	433.0	1 069.8	**1 757.5**

[1] The cash flow presented reflects swapped USD/NOK rate.
[2] Interest rate swaps are positive.

Maturity profile – financial liabilities, Year ended 2023

USD MILLION	Carrying amount	Q1 24	Q2 24	Q3 24	Q4 24	2024	2025–2028	2029 and beyond	Total
USD 295 million Corporate Facility	47.4	–	–	–	–	–	50.0	–	**50.0**
Convertible Bond[1]	184.9	–	–	–	192.6	192.6	–	–	**192.6**
USD 200 million Catcher Facility	198.1	14.3	14.3	14.3	14.3	57.2	142.8	–	**200.0**
BWO06 – NOK 1 000 million bond[2]	97.2	–	–	–	–	–	93.1	–	**93.1**
Other facilities	5.6	0.4	0.4	0.5	0.5	1.8	3.8	–	**5.6**
Finance liability related to Barossa lease	1 022.1	–	–	–	–	–	231.7	790.4	**1 022.1**
Interest rate swaps[3]	(35.1)	(3.4)	(3.3)	(3.2)	(3.2)	(13.1)	(40.6)	(8.1)	**(61.8)**
Interest payments	4.4	8.1	7.7	7.4	7.0	30.2	52.8	–	**83.0**
Other	–	–	–	0.1	–	0.1	0.2	–	**0.3**
Lease liabilities	12.0	0.8	0.8	0.8	0.8	3.0	8.3	1.9	**13.2**
Trade and other payable current	229.5	117.1	37.5	37.5	37.5	229.5	–	–	**229.5**
Total	1 766.1	137.3	57.3	57.3	249.4	501.3	542.1	784.2	1 827.6

[1] The cash flow presented reflects a full repayment of the loan without conversion into equity instruments
[2] The cash flow presented reflects swapped USD/NOK rate.
[3] Interest rate swaps are positive

The Group has the following undrawn borrowing facilities:

USD MILLION	2024	2023
Expire within one year	**147.5**	54.4
Expire beyond one year	**86.3**	190.6

FAIR VALUES

IFRS 13 requires disclosures of fair value measurements by the following hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2)
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3)

The fair value of the Group's currency forward hedges (plain vanilla hedges) is determined using forward exchange rates at the balance sheet date, with the resulting value discounted to present value (level 2). This is presented on separate lines in the statement of financial position.

The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves (level 2).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31 December 2024		Carrying amount				Fair value			
USD MILLION	Note	Fair value – hedging instrument	Financial assets at amortised cost	Other financial liabilities	**Total**	Level 1	Level 2	Level 3	**Total**
Financial assets measured at fair value									
Interest rate swaps used for hedging	16	25.2	–	–	**25.2**	–	25.2	–	**25.2**
		25.2	–	–	**25.2**	–	25.2	–	**25.2**
Financial assets not measured at fair value									
Trade and other receivables	8	–	169.7	–	**169.7**	–	–	–	**–**
Cash and cash equivalents	9	–	305.8	–	**305.8**	–	–	–	**–**
Other non–current assets	8	–	8.0	–	**8.0**	–	–	–	**–**
		–	483.5	–	**483.5**	–	–	–	**–**
Financial liabilities measured at fair value									
Interest rate swaps used for hedging	16	(0.6)	–	–	**(0.6)**	–	(0.6)	–	**(0.6)**
Cross Currency swaps used for hedging	16	(6.7)	–	–	**(6.7)**	–	(6.7)	–	**(6.7)**
		(7.3)	–	–	**(7.3)**	–	(7.3)	–	**(7.3)**
Financial liabilities not measured at fair value									
Secured bank loans	14	–	–	(144.3)	**(144.3)**	–	–	(142.8)	**(142.8)**
Unsecured bond issues	14	–	–	(87.1)	**(87.1)**	–	(98.1)	–	**(98.1)**
Finance liability related to Barossa lease		–	–	(1 347.4)	**(1 347.4)**	–	–	–	**–**
Other non–current liabilities	15	–	–	(1 029.7)	**(1 029.7)**	–	–	–	**–**
Trade and other payables	15	–	–	(137.6)	**(137.6)**	–	–	–	**–**
Lease liabilities	19	–	–	(19.3)	**(19.3)**	–	–	–	**–**
		–	–	(2 765.4)	**(2 765.4)**	–	(98.1)	(142.8)	**(240.9)**

31 December 2023		Carrying amount				Fair value			
USD MILLION	Note	Fair value – hedging instrument	Financial assets at amortised cost	Other financial liabilities	**Total**	Level 1	Level 2	Level 3	**Total**
Financial assets measured at fair value									
Forward exchange contracts used for hedging	16	0.8	–	–	**0.8**	–	0.8	–	**0.8**
Forward exchange contracts used in hedge accounting	16	0.5	–	–	**0.5**	–	0.5	–	**0.5**
Interest rate swaps used for hedging	16	32.4	–	–	**32.4**	–	32.4	–	**32.4**
Cross-currency swaps used for hedging	16	5.7	–	–	**5.7**	–	5.7	–	**5.7**
		39.4	–	–	**39.4**	–	39.4	–	**39.4**
Financial assets not measured at fair value									
Trade and other receivables	8	–	152.4	–	**152.4**	–	–	–	**–**
Cash and cash equivalents	9	–	361.0	–	**361.0**	–	–	–	**–**
Other non-current assets	8	–	12.3	–	**12.3**	–	–	–	**–**
		–	525.7	–	**525.7**	–	–	–	**–**
Financial liabilities measured at fair value									
Interest rate swaps used for hedging	16	(3.0)	–	–	**(3.0)**	–	(3.0)	–	**(3.0)**
Forward exchange contracts used for hedging	16	(0.6)	–	–	**(0.6)**	–	(0.6)	–	**(0.6)**
		(3.6)	–	–	**(3.6)**	–	(3.6)	–	**(3.6)**
Financial liabilities not measured at fair value									
Secured bank loans	14	–	–	(251.1)	**(251.1)**	–	–	(250.0)	**(250.0)**
Unsecured bond issues	14	–	–	(282.1)	**(282.1)**	–	(290.9)	–	**(290.9)**
Finance liability related to Barossa lease		–	–	(1 022.1)	**(1 022.1)**	–	–	–	**–**
Other non-current liabilities	15	–	–	(918.9)	**(918.9)**	–	–	–	**–**
Trade and other payables	15	–	–	(229.5)	**(229.5)**	–	–	–	**–**
Lease liabilities	19	–	–	(12.0)	**(12.0)**	–	–	–	**–**
		–	–	(2 715.7)	**(2 715.7)**	–	(290.9)	(250.0)	**(540.9)**

The difference between carrying amount and fair value of the unsecured bond relates to amortised loan costs and the equity portion of the convertible bonds.

CAPITAL STRUCTURE AND EQUITY

The primary focus of the Group's financial strategy is to ensure a healthy capital structure to support its business, fulfil all financial obligations and maximise shareholder value.

The Group monitors and manages its capital structure in light of changes in the economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payments to its shareholders, return capital to shareholders or issue new shares.

Construction and conversion projects will normally be funded through current loan facilities and/or specific project loan facilities equalling 70–80 per cent of the cost of the project. Project loan facilities can be established either before a contract for the conversion project is signed, during the conversion phase of a project or when the FPSO commences operation.

The Group has also issued bonds in NOK and will consider continuing to do so when the market is attractive and if it provides competitive funding as an alternative to traditional bank financing.

The Company has no specific targeted equity ratio. However, the loan facilities of the Group have certain covenants related to equity and equity ratio, both closely monitored by the Company (reference to Note 14).

NOTE 17 List of subsidiaries, associates and joint ventures

ACCOUNITNG POLICIES

Subsidiaries are legal entities (including special purpose entities) controlled by the Group. The Group 'controls' an entity when it is exposed or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries	Country of incorporation	Ownership 2024	Ownership 2023
Berge Carmen Singapore Pte Ltd	Singapore	-	100%
Bergesen Worldwide Mexico, S.A. de C.V.	Mexico	100%	100%
Bergesen Worldwide Offshore Mexico S. de RL de CV	Mexico	100%	100%
BW Abo Pte Ltd	Singapore	100%	100%
BW Adolo Pte Ltd	Singapore	100%	100%
BW Athena Pte Ltd	Singapore	-	100%
BW Berge Helene Pte Ltd	Singapore	-	100%
BW Bergesen Worldwide Pte Ltd	Singapore	100%	100%
BW Catcher Limited[1]	Bermuda	100%	100%
BW Cidade de São Vicente Pte Ltd	Singapore	-	100%
BW Espoir Ivoirien Pte Ltd	Singapore	100%	100%
BW Ideol AS[2]	Norway	64%	100%
BW Ideol Projects Company SAS[3]	France	76%	76%
BW Offshore Australia Management Pty Ltd	Australia	100%	100%
BW Offshore Bidco Pte Ltd[8]	Singapore	100%	100%
BW Offshore Catcher (UK) Limited	United Kingdom	100%	100%
BW Offshore China Ltd	China	100%	100%
BW Offshore Cyprus Limited	Cyprus	100%	100%
BW Offshore do Brazil Ltda	Brazil	100%	100%
BW Offshore do Brazil Servicos Maritimos Ltda	Brazil	100%	100%
BW Offshore EPC FZCO[4]	United Arab Emirates	90%	90%
BW Offshore France SAS	France	100%	100%
BW Offshore GDM B.V.	Netherlands	-	100%
BW Offshore GDM Holdings Pte Ltd	Singapore	-	100%
BW Offshore GDM Pte Ltd	Singapore	-	100%

Subsidiaries	Country of incorporation	Ownership 2024	Ownership 2023
BW Offshore (Ghana) Pte Ltd	Singapore	100%	100%
BW Offshore Global Manning Pte Ltd	Singapore	100%	100%
BW Offshore Holdings Pte Ltd	Singapore	100%	100%
BW Offshore Italy S.r.l	Italy	–	100%
BW Offshore Management B.V.	Netherlands	100%	100%
BW Offshore Netherlands B.V.	Netherlands	100%	100%
BW Offshore Nigeria Limited[7]	Nigeria	100%	49%
BW Offshore Norway AS	Norway	100%	100%
BW Offshore Norwegian Manning AS	Norway	–	100%
BW Offshore Poland sp z o.o.	Poland	100%	100%
BW Offshore Project Management FZE	United Arab Emirates	100%	100%
BW Offshore Shipholding Pte Ltd	Singapore	100%	100%
BW Offshore Singapore Pte Ltd	Singapore	100%	100%
BW Offshore SPV Bermuda I Limited	Bermuda	–	100%
BW Offshore TSB Invest Pte Ltd	Singapore	100%	100%
BW Offshore (UK) Limited	United Kingdom	100%	100%
BW Offshore USA Management, Inc.	USA	100%	100%
BW Offshore USA, LLC	USA	100%	100%
BW Pioneer (UK) Limited	United Kingdom	100%	100%
BW Polvo Pte Ltd	Singapore	100%	100%
BW Sendje Berge Pte Ltd	Singapore	100%	100%
BW Sirocco Holdings AS[2]	Norway	–	64%
BW Umuroa Pte Ltd	Singapore	–	100%
BWO–Premier Ghana Limited	Ghana	70%	70%
Ideol Japan, LLC[3]	Japan	100%	100%
BW Ideol S.A.[3]	France	100%	100%
Ideol USA, Inc.[3]	USA	100%	100%
Prosafe Production B.V.	Netherlands	100%	100%
Prosafe Services Cote d'Ivoire Pte Ltd	Singapore	100%	100%
Tinworth France SAS	France	100%	100%
Tinworth Gabon SA	Gabon	100%	100%

Associates and joint ventures

Subsidiaries	Country of incorporation	Ownership 2024	Ownership 2023
OCS Services Limited	British Virgin Islands	50%	50%
Euro Techniques Industries	France	40%	40%
BW Energy Limited[5]	Bermuda	–	23%
BW Offshore AUS–JV Pte Ltd[6]	Singapore	51%	51%
Buchan Offshore Wind Limited	United Kingdom	33%	33%
Fram Wind Solutions AS	Norway	50%	50%

1 Preference shares are issued with a preferential dividend right to ICBCL. The preferential dividend is a fixed percentage of outstanding preference shares, and accordingly the result allocated to non–controlling interest is independent of underlying result in the subsidiary.
2 BW Ideol was owned 100 per cent by BW Sirocco Holdings AS of 31 December 2023. In 2024, the two companies merged and renamed to BW Ideol AS
3 Owned by BW Ideol AS of 31 December 2024, BW Sirocco Holdings AS at 31 December 2023 ownership effectively 64 per cent.
4 Macquarie Bank Limited holds 10 per cent from 2022
5 Shares were fully disposed in 2024
6 Joint control due to shareholders agreements between the Group and external investors.
7 Ownership increased to 100 per cent during 2024 which resulted in entity being reclassified from an associate to a subsidiary
8 Changed name from Tinworth Pte Ltd during 2024

NOTE 18 Non-controlling interests

ACCOUNTING POLICIES

Non-controlling interests (NCI) are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted as equity transactions.

The following table summarises the information related to the Group's subsidiaries that has material NCI.

BW Ideol AS

USD MILLION	31 Dec 2024	31 Dec 2023
NCI percentage	36.0%	36.0%
Non-current assets	113.4	124.1
Current assets	10.1	18.2
Non-current liabilities	33.0	29.2
Current liabilities	5.9	5.6
Net assets (100%)	84.6	107.5
Net assets attributable to NCI	30.5	38.7
Revenue	3.3	5.9
Profit for the year	(16.4)	(18.9)
OCI	1.2	(0.4)
Total comprehensive income (100%)	(15.2)	(19.3)
Profit allocated to NCI	(6.6)	(9.7)
OCI allocated to NCI	0.4	(0.1)
Cash flows from operating activities	(4.7)	(8.5)
Cash flows from investing activities	(5.7)	(9.6)
Cash flows from financing activities (dividends to NCI: nil)	5.2	22.9
Net increase (decrease) in cash and cash equivalents (100%)	(5.2)	4.8

ICBCL AGREEMENT

In November 2017, the Group closed an agreement with a nominee of the financial leasing firm, ICBC Financial Leasing Co., Ltd. (ICBCL), whereby such nominee became an equity partner in BW Catcher Limited. BW Catcher Limited has issued preference shares with a preferential dividend right to ICBCL, for an aggregate subscription price of USD 275 000 000. The aggregate redemption and dividends payments on the preference shares are estimated to reflect approximately 25–30 per cent of the estimated free cash flow after debt servicing in the Catcher contract over a similar term. The net proceeds from the issue of the preference shares will be used for general corporate purposes. The investment by ICBCL is presented as a non-controlling interest in the statement of financial position of the Group.

USD 5.8 million (USD 6.8 million) has been paid in dividends during 2024 and the redemption for 2024 amounts to USD 22.9 million (USD 22.9 million).

NOTE 19 Leases

ACCOUNTING POLICIES

The group as a lessee

The Group leases office premises. Leases of office premises generally have lease terms between one and seven years. The Group has leases of certain office equipment (i.e., personal computers, printing- and photocopying machines, coffee machines) that are considered of low value.

The Group applies the short-term lease recognition exemption to its short-term leases. A short-term lease is a lease that has a lease term of 12 months or less from the commencement date. It also applies the low-value exemption to leases of office equipment that are considered to be low value.

The Group has elected to not separate non-lease components and account for the lease and the non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the commencement date of the lease. This is the date the underlying asset is available for use.

Right-of-use assets are measured at cost and depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. In calculating the present value, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. The Group determines its incremental borrowing rate by obtaining interest rates from the external bank financing.

The group as a lessor

When the Group acts as a lessor, it assesses whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease. If not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset, including the existence and terms of any extension or purchase options.

Lease classification

When the Group enters into a new or amended lease arrangement with customers, the terms and conditions of the contract are analysed in order to assess whether or not the Group retains the significant risks and rewards of ownership of the asset subject of the lease contract. To identify whether risks and rewards are retained, the Group considers the indicators listed by IFRS 16 on a contract-by-contract basis. By performing such assessments, the Group makes significant judgement to determine whether the arrangement results in a finance lease or an operating lease. This judgement can have a significant effect on the amounts recognised in the consolidated financial statements and its recognition of profits in the future.

Right-of-use assets and lease liabilities

	Right-of-use assets[1]	Lease liabilities
Balance at 1 January 2024	13.8	12.0
Additions	16.1	14.3
Adjustments	(0.9)	(0.9)
Depreciation expense	(7.4)	n/a
Interest expense	n/a	1.2
Lease payments	n/a	(6.4)
Foreign currency translation gain/(loss)	(0.2)	(0.9)
Balance at 31 December 2024	21.4	19.3

	Right-of-use assets[1]	Lease liabilities
Balance at 1 January 2023	21.1	17.9
Additions	–	–
Adjustments	0.1	0.1
Depreciation expense	(7.8)	n/a
Interest expense	n/a	0.5
Lease payments	n/a	(6.3)
Foreign currency translation gain/(loss)	0.4	(0.2)
Balance at 31 December 2023	13.8	12.0

[1] Right-of-use assets relates to property, plant and equipment

USD MILLION	2024	2023
Maturity analysis – contractual undiscounted cash flows		
Not later than one year	5.2	2.9
Later than one year and not later than five years	16.1	8.4
Later than five years	0.3	1.9
Total undiscounted lease liabilities at 31 December	21.6	13.2
Lease liabilities included in the statement of financial position at 31 December	19.3	12.0
Current	4.2	2.6
Non–current	15.1	9.4

Total cash outflow for leases included in the statement of cash flows is USD 6.4 million (USD 6.3 million).

Amounts recognised in profit or loss

USD MILLION	2024	2023
Interest on lease liabilities	1.2	0.5
Depreciation expense	7.4	7.8

Extension options

Some office leases contain contractual rights and options, such as extension and cancellation options, exercisable only by the Group and not by the lessors. These options may impact the estimated lease term. The Group assesses at lease commencement, and subsequently when facts and circumstances under the control of the Group require it, whether it is reasonably certain to exercise these options and reflects this in the lease term.

THE GROUP AS A LESSOR

Operating leases

The BW Opal lease contract is assessed to be an operating lease. The contract has a firm period of 15 years plus 10 years of options.

All other FPSOs owned by year–end 2024 are on firm operating lease contracts.

Future minimum payments receivable under non–cancellable operating lease contracts as at 31 December are as follows:

USD MILLION	2024	2023
Not later than one year	204.1	252.6
Later than one year and not later than five years	775.5	785.5
Later than five years	1 850.3	1 978.9
Total amount	2 829.9	3 017.0

NOTE 20 Commitments and guarantees

Commitments related to construction projects and operations, contracted for at the balance sheet date, but not recognised in the financial statements are as follows:

USD MILLION	2024	2023
Nominal amount	154.6	791.6

At 31 December, the commitments included committed contract values related to the construction of the FPSO for the Barossa gas field, life extension activities on the fleet, as well as for ongoing operations.

The Group has issued bank guarantees in favour of various customers totalling USD 1.7 million (USD 2.9 million).

The bank debt related to the USD 295 million Corporate Facility, as referred to in Note 14, is secured by:

- a parent company guarantee from BW Offshore Limited
- first priority mortgages over two FPSOs
- first priority secured interest in all earnings and proceeds of insurance related to the same two FPSOs.

The bank debt related to the Catcher loan facility, as referred to in Note 14, is secured by:

- a parent company guarantee from BW Offshore Limited
- a first priority mortgage over the FPSO BW Catcher, owned by BW Catcher Limited, Bermuda
- first priority secured interest in all earnings and proceeds of insurance related to the FPSO.

The bank debt related to the USD 1 150 million Barossa Loan Facility, as referred to in Note 16, is secured by:

- a parent company guarantee from BW Offshore Limited
- assignment of key construction contracts
- a first priority mortgage over the FPSO, once completed, to be owned by BW Offshore AUS-JV Pte Ltd, Singapore
- first priority secured interest in all earnings and proceeds of insurances related to the FPSO once contract has commenced.

In addition, the Group has provided an insurance bond of USD 100 million to Santos NA Barossa Pty Ltd related to the prepayments received during the construction period. The insurance bond expires in March 2025.

The carrying value of vessels pledged as collateral on 31 December 2024 was USD 838.2 million (USD 1 002.0 million). In addition, the shares in certain vessel-owning companies in the Group are pledged.

NOTE 21 Contingent assets and liabilities

In September 2021, Petro Rio Exploração e Produção de Petróleo Ltda. ('PetroRio') filed a request for arbitration in relation to the FPSO Polvo against the Group under the Charter and Services Agreements. PetroRio puts forward different heads of claim in the total amount of approximately USD 31 million for overpayment of hire and arbitration costs and fees. In October 2021, BW Offshore filed their response and put forward substantial counterclaims primarily for unpaid invoices and demobilisation costs for approximately USD 30 million. The arbitration tribunal met in December 2024 to evaluate the case. A final award is expected in early 2025. The net exposure is considered approximately USD 11 million.

During the normal course of business, the Group is involved in legal and other proceedings which are unresolved and outstanding. We have accounted for such claims and litigations based on the Group's best judgement.

In addition to the case mentioned above, the Group is also subject to occasional tax audits and other minor disputes with clients or vendors.

NOTE 22 Related parties transactions

The largest individual shareholder, BW Group Limited, owning 49.9 per cent, is incorporated in Bermuda and is controlled by Sohmen family interests.

Investments in subsidiaries are disclosed in Note 17, investments in associates and joint ventures are disclosed in Note 12 and remuneration to the Board of Directors and the Senior Management team and is detailed in Note 6.

Other related party transactions:

USD MILLION	Transaction values for the year ended 31 December 2024	2023	Balance outstanding as at 31 December 2024	2023
Sale of goods and services				
Joint ventures	349.1	728.9	62.9	–
Associates	8.9	141.2	–	18.1
Other related parties	117.5	–	23.0	–
Purchase of goods				
Joint ventures	103.2	300.5	9.8	43.7
Associates	1.8	8.6	0.3	0.6
Other related parties	1.2	–	–	–
Others				
Associates				
Short-term receivable	–	–	0.2	0.4

Sale and purchase from joint ventures primarily relate to the Barossa project. These transactions are considered a sale leaseback and are eliminated at group level.

In January 2024, the Group disposed of its equity accounted investment in BW Energy. However, BW Energy is still considered a related party of the group as BW Energy is controlled by BW Group. Transactions with BW Energy after the disposal of our investment are included within other related parties in the table above.

NOTE 23 Climate risks

Based on climate scenarios provided by the International Energy Agency (IEA) and DNV, the Group expects reasonably steady operational conditions in the medium-term. More transformative changes to the global energy supply are expected to materialise towards 2040, where fossil fuel supply in the global energy mix is expected to decline in relative and nominal terms, with natural gas as a potential exception.

Climate-related risks to BW Offshore therefore include market effects from changing demand for oil and gas, increased cost of capital, evolving laws and regulations, disruptive technology, as well as physical effects of climate change.

To respond to climate-related risk, the Group has identified the need to diversify its asset portfolio to include energy transition fuels (such as floating natural gas plants) and renewable technologies. The Group has invested in offshore floating wind technology and owns 64 per cent of BW Ideol.

Divesting legacy assets with marginal contracts approaching end of contract has also been a strategic target for the Group. In the last three years, nine assets have been divested. The divestment programme addresses a complex global operational set up, reduces residual value risk and operational liabilities, as well as improvs cash-flow visibility.

STRANDED ASSETS

Demand for hydrocarbon products in the long-term is uncertain due to the global clean energy transition. Decreased demand for new upstream hydrocarbon developments will result in less demand for FPSOs. The Group's primary revenue stream is owning, leasing and operating such assets to oil and gas operators. Reduced market demand for upstream production in the long-term could prompt assets within the BW Offshore fleet to become stranded.

An assessment has been made as to whether the Group has assets that are exposed to significant environmental risk or climate risk ('stranded assets'). The Group has not identified any stranded assets at 31 December 2024.

NOTE 24 Macroeconomic and geopolitical uncertainty

During the fiscal year ending 31 December 2024, the global macroeconomic and geopolitical landscape continued to influence market conditions, particularly within the energy sector. Persistent concerns regarding regional energy shortages sustained elevated oil and gas prices, driving energy companies to further prioritise capital allocation towards traditional hydrocarbon-based projects. However, heightened inflationary pressures, coupled with ongoing supply chain and logistics challenges, have heightened project execution risks, impacting cost management processes and potentially affecting project profitability. In response to global supply chain disruptions and commodity inflation, the Group remains committed to mitigating potential adverse effects, with a particular focus on the Barossa project.

Long-term, the continued shift in investor focus towards energy transition activities is expected to persist, characterised by increased capital allocation towards electrification and clean fuels. This trend may contribute to greater uncertainty regarding access to financing and the capital cost associated with new hydrocarbon-based projects, along with rising compliance costs due to evolving regulatory requirements.

The Group's operational activities are subject to tax in various jurisdictions, exposing it to tax obligations subject to changes in legislation. Given the long-term nature of its contracts, the Group's financial results are exposed to the risk of regulatory alterations impacting taxation policies.

NOTE 25 Subsequent events

There are no subsequent events after the balance sheet date.

Statement of income

USD MILLION (Year ended 31 December)	Note	2024	2023
Revenue	3	137.8	101.1
Operating expenses			
Other expenses	4	(47.2)	(57.5)
Total expenses		(47.2)	(57.7)
Operating profit before amortisation		90.6	43.4
Amortisation		(0.1)	–
Operating profit/(loss)		90.5	43.4
Interest income		11.4	3.6
Interest expense		(24.4)	(31.9)
Net currency exchange gain/(loss)		9.5	(15.4)
Fair value gain/(loss) on financial instruments		(3.2)	11.7
Loss on sale of shares in associate	11	20.3	(2.1)
Reversal of impairment/(impairment)	11, 13	(1.9)	40.0
Other financial expenses		0.4	1.5
Net financial items		12.1	7.4
Profit /(loss) before tax		102.6	50.8
Income tax expense	5	–	–
Net profit/(loss) for the year		102.6	50.8

Statement of comprehensive income

USD MILLION (Year ended 31 December)	Note	2024	2023
Profit /(loss) for the year		102.6	50.8
Other comprehensive income		–	–
Total comprehensive income for the year		102.6	50.8

The notes on pages 185–198 are an integral part of these financial statements.

Statement of financial position

USD MILLION (As at 31 December)	Note	2024	2023
ASSETS			
Ingangible assets		1.2	0.4
Shares in subsidiaries	11	212.4	521.1
Investment in associates	11	–	156.1
Vessels under Construction		11.4	–
Intercompany receivables long-term	13	8.6	–
Derivatives	10	14.5	25.2
Non-current assets		248.1	702.8
Trade and other receivables		3.6	4.4
Intercompany receivables short-term	13	37.1	136.1
Derivatives	10	–	0.4
Cash and cash equivalents	6	121.3	65.4
Current assets		162.0	206.3
Total assets		410.1	909.1

USD MILLION (As at 31 December)	Note	2024	2023
EQUITY			
Share capital	7	92.5	92.5
Share premium		1 095.5	1 095.5
Other equity	7, 8	(917.9)	(971.6)
Total shareholders' equity		270.1	216.4
LIABILITIES			
Interest-bearing long-term debt	8, 9	87.3	97.4
Intercompany payables long-term	13	–	–
Derivatives	10	7.3	1.5
Non-current liabilities		94.6	98.9
Interest-bearing short-term debt	8, 9	(0.2)	184.7
Trade and other payables	9	2.9	4.4
Intercompany payables short-term	13	42.7	402.6
Derivatives	10	–	2.1
Current liabilities		45.4	593.8
Total shareholders' equity and liabilities		410.1	909.1

The notes on pages 185–198 are an integral part of these financial statements.

Statement of changes in shareholders' equity

USD MILLION	Share capital	Share premium	Treasury share reserve	Equity component of convertible bonds	Other elements	Total
At 1 January 2023	92.5	1 095.5	(10.1)	50.7	(974.4)	**254.2**
Profit/(loss) for the period	–	–	–	–	50.8	**50.8**
Dividends	–	–	–	–	(43.3)	**(43.3)**
Share-based payment	–	–	–	–	2.0	**2.0**
Other items	–	–	–	(0.9)	(46.4)	**(47.3)**
Total equity at 31 December 2023	92.5	1 095.5	(10.1)	49.8	(1 011.3)	**216.4**
At 1 January 2024	92.5	1 095.5	(10.1)	49.8	(1 011.3)	**216.4**
Profit/(loss) for the period	–	–	–	–	102.6	**102.6**
Dividends	–	–	–	–	(49.8)	**(49.8)**
Share-based payment	–	–	–	–	1.5	**1.5**
Repayment of Convertible Bond	–	–	–	(49.1)	49.1	**–**
Other items	–	–	–	(0.7)	0.1	**(0.6)**
Total equity at 31 December 2024	92.5	1 095.5	(10.1)	–	(907.8)	**270.1**

The notes on pages 185–198 are an integral part of these financial statements.

Statement of cash flows

USD MILLION (Year ended 31 December)	Note	2024	2023
Operating activities			
Profit/(loss) before tax		102.6	50.8
Adjustments for:			
Amortisation		0.1	–
Impairment charges	11, 13	1.9	(40.0)
Fair value change on financial instruments		14.8	(1.3)
Currency gain/loss		(10.7)	12.9
Add back of net interest expense		13.0	28.3
Gain/(Loss) from sale of shares	11	(20.3)	2.1
Dividends from group companies		(137.1)	(45.0)
Share-based payment expense		1.5	2.0
Changes in:			
Receivables and accounts payable		(0.7)	(0.7)
Other items from operating activities		0.9	(3.6)
Cash generated from operating activities		(34.0)	5.5
Taxes paid	5	–	(0.3)
Net cash flows from/(used) in operating activities		(34.0)	5.2

USD MILLION (Year ended 31 December)	Note	2024	2023
Investing activities			
Proceeds from sale of investments		176.4	–
Interest received		11.4	3.6
Investment in intangible assets		(0.9)	(0.4)
Dividends received	3	137.1	45.0
Investments in subsidiaries		2.0	77.4
Investment in Vessels under Construction		(11.4)	–
Net cash flows from/(used in) investing activities		314.6	125.6
Financing activities			
Proceeds from new interest-bearing debt	8	–	93.1
Changes in intercompany receivables/payables	13	35.3	19.1
Repurchase of convertible notes	8	(191.9)	(41.2)
Repayment of long-term debt	8	–	(98.8)
Dividends paid		(49.8)	(25.3)
Interest paid		(18.3)	(22.9)
Net cash flows from/(used in) financing activities		(224.7)	(76.0)
Net change in cash and cash equivalents		55.9	54.8
Cash and cash equivalents at 1 January		65.4	10.6
Cash and cash equivalents at 31 December	6	121.3	65.4

The notes on pages 185–198 are an integral part of these financial statements.

Notes

NOTE 1 Reporting entity

BW Offshore Limited ('BW Offshore' or the 'Company') was incorporated in Bermuda in 2005 and is domiciled in Bermuda with its registered address at Washington Mall Phase 2, 4th Floor, Suite 400, 22 Church Street, Hamilton HM1189, Bermuda. BW Offshore Limited is the holding company in the BW Offshore Limited Group and is listed on Oslo Stock Exchange, a stock exchange operated by Euronext.

NOTE 2 Basis of preparation

BASIS OF ACCOUNTING

The financial statements of the Company have been prepared pursuant to IFRS® Accounting Standards as adopted by the EU (IFRS). The financial statements have been prepared in accordance with the historical cost convention, with some exceptions, as detailed in the notes to the financial statements.

The financial statements were approved by the Board of Directors on 26 February 2025.

All figures are in USD million if not otherwise stated. As a result of rounding differences, numbers and/or percentages may not add up to the total. Figures in brackets refer to corresponding figures for 2023.

CURRENCY TRANSLATION

Functional and presentation currency

The Company's presentation currency is United States Dollars (USD). This is also the functional currency of the Company and most of its subsidiaries.

Transactions and balances

Transactions in a currency other than the functional currency ('foreign currency') are translated into the functional currency using the exchange rates prevailing at the date of transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation of financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of income.

USE OF JUDGEMENTS AND ESTIMATES

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires Management to exercise its judgement in the process of complying with the Company's accounting policies.

Impairment

Shares in subsidiaries, investment in associates and intercompany receivables are subject to impairment testing at the end of each reporting period. Valuation is subject to assessment of the recoverability in the underlying investment or receivables. Management's assessment can affect the level of impairment loss, or reversal of such, that is recognised in profit or loss.

ACCOUNTING POLICIES

Accounting policies according to the list below are included in the relevant notes to the consolidated financial statements:

- Note 3: Revenue
- Note 7: Share capital and reserves
- Note 9: Financial assets and liabilities
- Note 11: Shares in subsidiaries and associates

New Accounting Standards

No new standards effective from 1 January 2024 have had a material impact on the Company's financial statements.

NOTE 3 Revenue

ACCOUNTING POLICIES

Revenue from contracts with customers

Revenue from contracts with customers is recognised upon satisfaction of the performance obligations for the transfer of services in each such contract. A performance obligation is satisfied when or as the customer obtains the goods or services delivered. It is recognised at an amount that reflects the consideration which the Company expects to receive in exchange for those goods or services. Revenues are presented net of indirect sales taxes.

Interest income

Interest income is recognised on a time proportion basis applying the effective interest method.

Dividend income

Dividend income is recognised when the right to receive payment is established.

USD MILLION	2024	2023
Revenue from contracts with customers	0.7	7.1
Dividend income	137.1	94.0
Total revenue	137.8	101.1

NOTE 4 Operating expenses

USD MILLION	2024	2023
Management fee	20.0	18.6
Lawyer’s fee	2.1	1.1
Consultant’s fee	1.8	1.3
Auditor’s fee	0.5	0.4
Other operating expenses	22.8	36.3
Total operating expenses	47.2	57.7

Management fee is fee for management services provided to the Company by subsidiaries in the Group.

NOTE 5 Income tax

BW Offshore Limited is a Bermuda company. Currently, the Company is not required to pay taxes in Bermuda on ordinary income or capital gains.

NOTE 6 Cash and cash equivalents

Cash and cash equivalents comprise the following items:

USD MILLION	2024	2023
Bank deposits	121.3	65.4
Total cash and cash equivalents	121.3	65.4

NOTE 7 Share capital and reserves

ACCOUNTING POLICIES

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Treasury shares

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognised as a reduction from equity. Repurchased shares are classified as treasury shares and are presented in the treasury share reserve. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity and the resulting surplus or deficit on the transaction is presented within share premium.

Compound financial instruments

Compound financial instruments issued by the Group comprise convertible bonds denominated in USD, that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of compound financial instruments is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised as the difference between the fair value of the compound financial instrument and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured, unless repurchases of convertible bonds occur before maturity. Upon repurchase, the difference between the repurchase price and carrying amount is allocated between the liability component, equity component and a potential gain or loss is recognised in the consolidated statement of income.

Interest related to the financial liability is recognised in the consolidated statement of income. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognised.

Authorised share capital:	
At 1 January 2024	214 000 000 ordinary shares at par value USD 0.50 each
At 31 December 2024	214 000 000 ordinary shares at par value USD 0.50 each

Issued and fully paid	USD THOUSAND
At 1 January 2024	92 478.2
At 31 December 2024	92 478.2

TREASURY SHARE RESERVE

On 31 December 2024, the Company held a total of 4 141 437 own shares (4 141 437). Book value of the treasury shares was USD 10.1 million on 31 December 2024 (USD 10.1 million).

NOTE 8 Loans and borrowings

USD MILLION	Effective interest rate	Maturity date	Carrying amount 2024	2023
BWO06 – NOK 1 000 million Bond	3 month NIBOR + 5.00%	29-Nov-28	87.3	97.4
Total long-term debt			87.3	97.4

USD MILLION	Effective interest rate	Maturity date	Carrying amount 2024	2023
Convertible bonds	2.50%	12-Nov-24	-	184.9
BWO06 – NOK 1 000 million Bond	3 month NIBOR + 5.00%	29-Nov-28	(0.2)	(0.2)
Total short-term debt			(0.2)	184.7
Total interest-bearing debt			87.1	282.1

BWO06 – NOK 1 000 MILLION BOND

In November 2023, BW Offshore Limited successfully completed the placement of a NOK 1 000 million senior unsecured bond with maturity date on 29 November 2028. The proceeds from the bond loan were used to partly repay existing bond loan. The bond loan is subject to certain covenants, including minimum book equity of at least 25 per cent of total assets and minimum USD 75 million available liquidity including undrawn amounts available for utilisation by the Group.

CONVERTIBLE BONDS

During the fourth quarter of 2019, BW Offshore Limited issued a USD 297.4 million convertible bond with a five-year tenor and coupon of 2.50 per cent per annum, payable semi-annually in arrears. The convertible bond had no regular repayments and matured in full on 12 November 2024. No amounts were outstanding at 31 December 2024.

USD MILLION	
Proceeds from issue of convertible bonds	297.4
Transaction costs	(3.8)
Net proceeds	293.6
Amount classified as equity (net of transaction costs of USD 0.7 million)	(50.1)
Accrued interest	43.0
Repayment of convertible bonds	(289.7)
Expensed capitalised borrowing costs	3.2
Carrying amount of liability at 31 December 2024	-

RECONCILIATION OF MOVEMENTS OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	Interest payable	Intercompany payables	Liabilities		Equity	Total
USD MILLION			Interest-bearing short-term debt	Interest-bearing long-term debt		
Balance at 1 January 2024			184.7	97.4	216.4	
Repurchase of convertible notes	–	–	(191.9)	–	–	**(191.9)**
Dividends paid	–	–	–	–	(49.8)	**(49.8)**
Interest paid	(18.3)	–	–	–	–	**(18.3)**
Changes in intercompany receivables	–	35.3	–	–	–	**35.3**
Total changes from financing cash flows	(18.3)	35.3	(191.9)	–	(49.8)	**(224.7)**
Effects of changes in foreign exchange rate and interest rate swaps			–	(10.4)	–	**(10.4)**
Liability-related:						
Accrued interest			6.5	–	–	**6.5**
Expensed capitalised borrowing costs			0.6	0.2	–	**0.8**
Non-cash movements					–	**–**
Total liability-related other changes			7.1	0.2	–	**7.3**
Total equity-related other changes					103.5	**103.5**
Balance at 31 December 2024			(0.1)	87.2	270.1	

USD MILLION	Interest payable	Intercompany payables	Liabilities		Equity	**Total**
			Interest-bearing short-term debt	Interest-bearing long-term debt		
Balance at 1 January 2023			91.0	218.7	254.2	
Repurchase of convertible notes	–	–	–	(41.2)	–	**(41.2)**
Proceeds from loans and borrowings	–	–	–	93.1	–	**93.1**
Repayment of loans and borrowings	–	–	(98.8)	–	–	**(98.8)**
Dividends paid	–	–	–	–	(25.3)	**(25.3)**
Interest paid	(22.9)	–	–	–	–	**(22.9)**
Changes in intercompany receivables	–	19.1	–	–	–	**19.1**
Total changes from financing cash flows	(22.9)	19.1	(7.8)	270.6	228.9	**(76.0)**
Effects of changes in foreign exchange rate and interest rate swaps			6.7	5.2	–	**11.9**
Liability-related:						
Accrued interest			–	8.1	–	**8.1**
Expensed capitalised borrowing costs			0.3	(0.3)	–	**–**
Non-cash movements			185.5	(186.2)	–	**(0.7)**
Total liability-related other changes			185.8	(178.4)	–	**7.4**
Total equity-related other changes			–	–	(12.5)	**(12.5)**
Balance at 31 December 2023			184.7	97.4	216.4	

NOTE 9 Financial assets and liabilities

ACCOUNTING POLICIES

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

The Company's financial assets are derivatives, trade– and intercompany receivables and cash and cash equivalents.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. Except for trade receivables that do not contain a significant financing component, the Company initially measures a financial asset at its fair value plus, (in the case of a financial asset not at fair value through profit or loss), transaction costs.

The Company classifies its financial assets in two categories:

- Financial assets at amortised cost.
- Financial assets at fair value through profit or loss (FVTPL).

Financial assets at amortised cost

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost include trade– and intercompany receivables and cash and cash equivalents.

Financial assets at fair value through profit or loss

Derivatives at fair value are carried in the statement of financial position at fair value with net changes in fair value through profit or loss. The category includes foreign exchange contracts and interest rate swaps.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement; and either
  a. the Company has transferred substantially all the risks and rewards of the asset, or
  b. the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

For intercompany receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime Estimated Credit Losses (ECLs) at each reporting date, based on its historical credit loss experience.

The Company considers a financial asset in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities

Financial liabilities are classified as subsequently measured at amortised cost except for financial liabilities at fair value through profit or loss (FVTPL). Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derivatives are financial liabilities when the fair value is negative and financial assets when the fair value is positive.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

As of 31 December, the Company had financial assets and liabilities in the following categories:

Year ended 31 December 2024		Carrying amount				Fair value			
USD MILLION	Note	Fair value – hedging instrument	Financial assets at amortised cost	Other financial liabilities	**Total**	Level 1	Level 2	Level 3	**Total**
Financial assets measured at fair value									
Interest rate swaps used for hedging	10	14.5	–	–	**14.5**	–	14.5	–	**14.5**
		14.5	–	–	**14.5**	–	14.5	–	**14.5**
Financial assets not measured at fair value									
Trade and other receivables	13	–	40.7	–	**40.7**	–	–	–	**–**
Cash and cash equivalents	6	–	121.3	–	**121.3**	–	–	–	**–**
		–	162.0	–	**162.0**	–	–	–	**–**
Financial liabilities measured at fair value									
Interest rate swaps used for hedging	10	(0.6)	–	–	**(0.6)**	–	(0.6)	–	**(0.6)**
Cross Currency swaps used for hedging	10	(6.7)	–	–	**(6.7)**	–	(6.7)	–	**(6.7)**
		(7.3)	–	–	**(7.3)**	–	(7.3)	–	**(7.3)**
Financial liabilities not measured at fair value									
Unsecured bond issues	8	–	–	(87.1)	**(87.1)**	–	(98.1)	–	**(98.1)**
Trade and other payables	13	–	–	(45.6)	**(45.6)**	–	–	–	**–**
		–	–	(132.7)	**(132.7)**	–	(98.1)	–	**(98.1)**

Year ended 31 December 2023		Carrying amount				Fair value			
USD MILLION	Note	Fair value – hedging instrument	Financial assets at amortised cost	Other financial liabilities	**Total**	Level 1	Level 2	Level 3	**Total**
Financial assets measured at fair value									
Cross-currency swaps used for hedging	10	5.7	–	–	**5.7**	–	5.7	–	**5.7**
Interest rate swaps used for hedging	10	19.9	–	–	**19.9**	–	19.9	–	**19.9**
		25.6	–	–	**25.6**	–	25.6	–	**25.6**
Financial assets not measured at fair value									
Trade and other receivables	13	–	140.5	–	**140.5**	–	–	–	**–**
Cash and cash equivalents	6	–	65.4	–	**65.4**	–	–	–	**–**
		–	205.9	–	**205.9**	–	–	–	**–**
Financial liabilities measured at fair value									
Interest rate swaps used for hedging	10	(3.0)	–	–	**(3.0)**	–	(3.0)	–	**(3.0)**
Forward exchange contracts used for hedging	10	(0.6)	–	–	**(0.6)**	–	(0.6)	–	**(0.6)**
		(3.6)	–	–	**(3.6)**	–	(3.6)	–	**(3.6)**
Financial liabilities not measured at fair value									
Unsecured bond issues	8	–	–	(282.1)	**(282.1)**	–	(290.9)	–	**(290.9)**
Trade and other payables	13	–	–	(407.0)	**(407.0)**	–	–	–	**–**
		–	–	(689.1)	**(689.1)**	–	(290.9)	–	**(290.9)**

NOTE 10 Financial risk management

The Company's activities expose it to a variety of financial risks. Overall risk management follows and is handled by the BW Offshore Group. These processes and policies are described in more detail under Note 16 of the consolidated financial statements of BW Offshore Group.

FOREIGN CURRENCY RISK

The Company's business is not exposed to significant foreign exchange risk as its operating expenses are mainly denominated in United States Dollars, which is the functional currency of the Company. The Company enters into forward contracts to reduce the exchange-rate risk in cash flows nominated in foreign currencies related to administrative expenses. The exchange-rate risk is calculated for each foreign currency and considers assets and liabilities, liabilities not recognised in the balance sheet and expected purchases and sales in the currency in question. Currency hedges and other currency effects include changes in fair value of currency hedges, effects or settlement of these hedges, and other currency effects related to operating cash flows.

The Company is exposed to foreign currency risk on bond issued in NOK, respectively bond BWO06. The foreign currency exposure of BWO06 is hedged through cross-currency swaps with a nominal value of USD 93.1 million.

INTEREST RATE RISK

Except for the amount due to and from subsidiaries, the Company's operating cash flows are independent of changes in market interest rates.

The Company holds interest swaps with a nominal value of USD 93.1 million (USD 93.1 million) to hedge the BWO06 bond.

CREDIT RISK

The Company's credit risk is primarily attributable to the amount due from the subsidiaries (non-trade). At the balance sheet date, this amount due from subsidiaries (non-trade) is not past due. The maximum exposure is represented by the carrying amount of this financial asset on the balance sheet.

LIQUIDITY RISK AND CAPITAL RISK

The funding requirements of the Company are met by the subsidiaries of the BW Offshore Group. The Company's objective when managing capital is to ensure that the Company is adequately capitalised and that funding requirements are met by the BW Offshore Group.

The Company is not subject to any externally imposed capital requirements.

The following table sets out the maturity profile of the Company's financial liabilities based on contractual undiscounted payments. When counterparties have a choice of when to settle an amount, the liability is included based on the earliest date of which the counterparty can require settlement.

Maturity profile – financial liabilities, year ended 2024

USD MILLION	Carrying amount	Q1 25	Q2 25	Q3 25	Q4 25	2025	2026–2029	2030 and beyond	**Total**
BWO06 – NOK 1 000 million bond[1]	87.1	–	–	–	–	–	93.1	–	**93.1**
Interest rate swaps	(7.2)	(1.4)	(1.4)	(1.4)	(1.5)	(5.7)	(21.6)	(0.4)	**(27.7)**
Interest payments	0.9	2.3	2.3	2.3	2.4	9.3	26.5	–	**35.8**
Trade and other payable current	2.9	2.9	–	–	–	2.9	–	–	**2.9**
Total	83.7	3.8	0.9	0.9	0.9	6.5	98.0	(0.4)	**104.1**

[1] The cash flow presented reflects swapped USD/NOK rate.

Maturity profile – financial liabilities, year ended 2023

USD MILLION	Carrying amount	Q1 24	Q2 24	Q3 24	Q4 24	2024	2025–2028	2029 and beyond	**Total**
Convertible Bond[1]	184.9	–	–	–	192.6	192.6	–	–	**192.6**
BWO06 – NOK 1 000 million bond[2]	97.4	–	–	–	–	–	93.1	–	**93.1**
Interest rate swaps	(18.4)	(2.4)	(2.3)	(2.2)	(2.2)	(9.1)	(34.2)	(8.1)	**(51.4)**
Interest payments	1.5	3.6	3.6	3.6	3.2	14.0	37.0	–	**51.0**
Trade and other payable current	4.4	2.2	0.7	0.7	0.7	4.4	–	–	**4.4**
Total	269.8	3.4	2.0	2.1	194.3	201.9	95.9	(8.1)	**289.7**

[1] The cash flow presented reflects a full repayment of the loan without conversion into equity instruments
[2] The cash flow presented reflects swapped USD/NOK rate.

NOTE 11 Shares in subsidiaries and associates

ACCOUNTING POLICIES

The subsidiaries are those entities (including special purpose entities) in which the Company has control. Control is achieved when the Company is exposed or has rights to variable returns from its involvement with a company in which it has invested and has the ability to use its power to affect its returns from this company. Investments in subsidiaries are stated at cost less any impairment.

Associates are those entities in which the Company has significant influence, but no control, or has joint control, over the financial and operating policies, generally accompanying a shareholding of between 20 per cent and 50 per cent of the voting rights. Significant influence is the power to participate in the financial and operating policy decisions of the investee. Investments in associates are stated at cost less any impairment.

Subsidiaries	Country of incorporation	2024	2023
BW Catcher Limited	Bermuda	100%	100%
BW Offshore Cyprus Limited	Cyprus	100%	100%
BW Offshore EPC FZCO	United Arab Emirates	90%	90%
BW Offshore Holdings Pte. Ltd.	Singapore	100%	100%
BW Offshore Project Management FZE	United Arab Emirates	100%	100%
BW Offshore SPV Bermuda I Limited	Bermuda	–	100%

Associates	Country of incorporation	2024	2023
BW Energy Limited	Bermuda	–	23%

In 2024, the Company recorded an impairment of USD 1.9 million (USD 36.3 million) on investments in subsidiaries to write down the carrying amount to its recoverable amount. During 2024, the Company did not reverse any previously recognised impairments (USD 76.4 million). As at 31 December 2024, the Company has USD 78.2 million (USD 76.3 million) of previously recognised impairments which have not been reversed.

NOTE 12 Guarantees

The Company has issued parent guarantees as security for its subsidiaries' bank debts, relating to the USD 295 million Corporate facility, the Barossa facility and the Catcher million facility, as listed in Note 20 of the consolidated financial statements of BW Offshore Group.

NOTE 13 Intercompany receivables and payables

USD MILLION	2024	2023
Intercompany receivables long-term	8.6	–
Intercompany receivables short-term	37.1	136.1
Intercompany payables long-term	–	–
Intercompany payables short-term	42.7	402.6

Reduction in balances relate to internal restructuring.

Intercompany loan agreements with subsidiaries are set up based on regular market rates, using 3- USD SOFR. Outstanding balances at year-end are unsecured.

NOTE 14 Subsequent events

There are no subsequent events after the balance sheet date.

Responsibility statement

We confirm that, to the best of our knowledge, the financial statements for the period 1 January to 31 December 2024 have been prepared in accordance with current applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the Group taken as a whole.

We also confirm that the Board of Directors' Report includes a true and fair review of the development and performance of the business and the position of the Company and the Group, together with a description of the principal risks and uncertainties facing the Company and the Group.

We further confirm to the best of our knowledge that the 2024 Sustainability Statement has been prepared in accordance with and meets the information requirements of the Norwegian Accounting Act, the European Sustainability Reporting Standards (ESRS) and the EU Taxonomy (Article 8 of EU Regulation 2020/852).

Furthermore, the financial statements for the period 1 January to 31 December 2024 have been prepared in accordance with the ESEF regulations.

Bermuda, 26 February 2025

Sign	*Sign*	*Sign*	*Sign*	*Sign*
Mr Andreas Sohmen-Pao	Ms Rebekka Glasser Herlofsen	Mr Maarten R Scholten	Mr Kees van Seventer	Mr René Kofod-Olsen
Chairman	Director	Director	Director	Director

KPMG AS
Sørkedalsveien 6
P.O. Box 7000 Majorstuen
N-0306 Oslo

Telephone +47 45 40 40 63
Internet www.kpmg.no
Enterprise 935 174 627 MVA

To the General Meeting of BW Offshore Limited

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of BW Offshore Limited, which comprise:

- the financial statements of the parent company BW Offshore Limited (the Company), which comprise the statement of financial position as at 31 December 2024, the statement of income, statement of comprehensive income, statement of changes in shareholders' equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, and

- the consolidated financial statements of BW Offshore Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services have been provided.

We have been the auditor of BW Offshore Limited for seven years from the election by the general meeting of the shareholders on 28 May 2018 for the accounting year 2018.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KPMG

Valuation of FPSO Fleet

Reference is made to Note 10 Property, plant and equipment in the Consolidated financial statements.

The Key Audit Matter	*How the matter was addressed in our audit*
The Group's FPSO vessels and vessels under construction represent a significant portion of total assets. The Group regularly reviews whether there are any impairment indicators and tests the individual assets for impairment if an indicator is identified. In order to assess whether an impairment indicator exists, management considers inflationary impacts on costs and rising interest rates as well as assumptions regarding contracted and uncontracted net cash flows over the anticipated useful life of the vessel. A high degree of judgement is applied in determining the most likely scenario of optional extension periods in the contract. For vessels under construction, which as of 31 December 2024 included BW Opal, management identified an impairment indicator mainly due to cost increases in total construction costs compared to earlier estimates. For BW Opal, management determined the recoverability using a discounted cash flow model based upon the value in use. All future cash flows are discounted using a weighted average cost of capital (WACC). The value in use of BW Opal is particularly sensitive to the assumptions made to develop the WACC rate and cash flows after the fixed term including the likelihood that optional extension periods beyond the fixed term in the contract are exercised. No impairments were recognized on vessels in operation and vessels under construction in 2024.	We evaluated management's impairment indicator analysis, assessing key considerations for each of the Group's FPSO vessels, including remaining fixed contract periods and the likelihood of extension options exercised, which includes the current field lifetime expectancy. For BW Opal, where an impairment trigger was identified, we performed the following procedures to assess the estimates of future cash flows used to determine the value in use: • considered the appropriateness of the cash flow model and its mathematical accuracy; • read contractual agreements and agreed the daily charter rates reflected in the cash flow model to these contractual agreements; • evaluated the basis for contractually budgeted reimbursable operating and maintenance costs; • challenged the judgments to include variable consideration, such as performance bonuses, in the forecasted cash flows; • inspected relevant tax authority publications to corroborate taxable income assumptions included in the forecasted cashflows; • considered the likelihood of future contract extensions based on third party life of field and production studies; and • assessed the expected timing of vessel construction completion and the estimated costs to complete vessel construction based on external and internal construction yard progress reports and updated cost budgets. We also assessed by reference to market data the inputs to and calculation in the WACC discount rate used by management. The key inputs included the risk-free rate, market risk premium and industry financing structures (gearing and cost of debt and equity). In testing these assumptions we made use of KPMG valuation experts. We evaluated the adequacy of disclosure related to impairment in Note 10 Property, plant and equipment in the Consolidated financial statements.

KPMG

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our opinion on the Board of Director's report applies correspondingly to the statement on Corporate Governance.

Our opinion on whether the Board of Directors' report contains the information required by applicable statutory requirements, does not cover the Sustainability Statement, on which a separate assurance report is issued.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit

KPMG

evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on Compliance with Requirement on European Single Electronic Format (ESEF)

Opinion
As part of the audit of the financial statements of BW Offshore Limited, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name "bwoffshoreltd-2024-12-31-en", have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format, and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities
Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's Responsibilities
Our responsibility, based on audit evidence obtained, is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in compliance with ESEF. We conduct our work in compliance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance about whether the financial statements included in the annual report have been prepared in compliance with the ESEF Regulation.

As part of our work, we have performed procedures to obtain an understanding of the Company's processes for preparing the financial statements in compliance with the ESEF Regulation. We examine whether the financial statements are presented in XHTML-format. We evaluate the completeness and accuracy of the iXBRL tagging of the consolidated financial statements and assess management's use of judgement. Our procedures include reconciliation of the iXBRL tagged data with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 26 February 2025

KPMG AS

Sign.

Dave Vijfvinkel
State Authorised Public Accountant

Alternative Performance Measures (APMs)

The Group discloses alternative performance measures in addition to those required by IFRS, as we believe these provide useful information to management, investors and security analysts regarding our historical financial performance.

EBIT

EBIT, as defined by the Group, means earnings before interest and tax.

EBITDA

EBITDA, as defined by the Group, means EBIT excluding depreciation and amortisation, impairment and disposal and gain from sale of tangible fixed assets. EBITDA may differ from similarly titled measures from other companies.

USD MILLION	2024	2023
Revenue	606.7	659.2
Operating expenses	(185.6)	(263.5)
Other expenses	(74.8)	(61.6)
Administrative expenses	(28.3)	(28.6)
Total expenses	(288.7)	(353.7)
Operating profit before depreciation, amortisation, impairment and sale of assets (EBITDA)	318.0	305.5
Depreciation and amortisation	(177.9)	(187.2)
Impairment	1.1	(5.1)
Net gain/(loss) on sale of tangible fixed assets	–	24.7
Operating profit/(loss) (EBIT)	141.2	137.9

CAPITAL EXPENDITURES

Capital expenditures means investments in vessels, intangible assets and property and other equipment, including capitalised interest. Capital expenditure may differ from investment in operating fixed assets and intangible assets presented in the consolidated statement of cash flows, as capital expenditure may also contain non-cash transactions.

USD MILLION	2024	2023
Vessels and other property, plant and equipment	477.6	771.6
Intangible assets	3.4	0.7
Total capital expenditures	481.0	772.3
Change in working capital	(101.1)	(42.8)
Investment in operating fixed asset and intangible assets	(379.9)	(729.5)

NET INTEREST-BEARING DEBT

Net interest-bearing debt is defined as short-term and long-term interest-bearing debt less cash and cash equivalents.

USD MILLION	2024	2023
Cash and cash equivalents	(305.8)	(230.3)
Long-term interest-bearing debt	173.9	522.4
Short-term interest-bearing debt	57.5	205.4
Net interest-bearing debt	(74.4)	497.5

ORDER BACKLOG

Order backlog is defined as the aggregated revenue backlog from firm contracts and probable options.

EQUITY RATIO

Equity ratio is an indicator of the relative proportion of equity used to finance the Group's assets, defined as total equity divided by total assets.

Addresses

BW OFFSHORE LIMITED
Washington Mall Phase 2
4^{th} Floor, Suite 400
22 Church Street
Hamilton HM 1189
Bermuda

BW OFFSHORE HOLDINGS PTE LTD
30 Pasir Panjang Road
#14-31/32 & #15-32
Mapletree Business City
Singapore 117440
Tel: +65 6632 7888

BW OFFSHORE NORWAY AS
Karenslyst Allé 6
P.O. Box 33 Skøyen
NO-0212 Oslo
Norway
Tel: +47 2313 0000

BW OFFSHORE (UK) LIMITED
First Floor, Horizons House
81-83 Waterloo Quay
Aberdeen AB11 5DE
United Kingdom
Tel: +44 (0) 1224 900 260

BW OFFSHORE MANAGEMENT USA INC
2925 Briar Park, Suite 1295
Houston, Texas 77042
USA
Tel.: +1 713 781 0670

GLOBAL PRESENCE
Bermuda: Hamilton
Singapore
Norway: Oslo, Arendal
Brazil: Rio de Janeiro
USA: Houston
Gabon: Port Gentil
United Kingdom: Aberdeen
France: Paris
UAE: Dubai
Australia: Darwin

contact@bwoffshore.com
www.bwoffshore.com

Design: Artbox AS. Trykk: Printbox AS.

www.bwoffshore.com